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Stock code: 8075

Website: www.rojam.com

**ANNOUNCEMENT
IN RESPECT OF
CLOSURE OF ROJAM DISCO IN SHANGHAI
RESUMPTION OF TRADING**

Closure of Rojam Disco in Shanghai

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules. The Company announces the closure of its Rojam Disco in Shanghai as a result of the losses recorded by the discotheque in Shanghai in recent financial periods and the prospects for the continued operation of the discotheque in Shanghai.

The premises at which the Group operated the Rojam Disco in Shanghai are leased by SRE, a subsidiary of the Company, from Shanghai Lixin, an independent third party, pursuant to a lease agreement entered into in July 2005. The lease agreement expires on 31 March 2010. The Group is currently in negotiation with Shanghai Lixin in respect of the termination of the lease. The Company will issue a further announcement in accordance with the GEM Listing Rules once the terms of termination of the lease are finalized.

Resumption of Trading

At the request of the Company, trading in the shares of the Company on the GEM was suspended with effect from 2:30 p.m. on 27 December 2007. Application has been made by the Company to resume the trading of the shares of the Company with effect from 9:30 a.m. on 31 December 2007.

Closure of Rojam Disco in Shanghai

Reference is made to the Company's interim report 2007/2008 dated 14 November 2007. As disclosed in the interim report, the turnover of the Group for the six months ended 30 September 2007 of the Group had experienced a significant decrease due to the drop of admission income of the Rojam Disco in Shanghai, which is held by the Company through its 90% subsidiary, SRE. The management reviewed the market position of the Rojam Disco in Shanghai and carried out a partial renovation in September 2007 to refresh the discotheque's image. Based on a further subsequent review, the Company believes that it is in the best interests of the Company and its shareholders to cease the operations of Rojam Disco in Shanghai, and as a result, the Group ceased operations of Rojam Disco in Shanghai on 24 December 2007.

The premises at which the Group operated the Rojam Disco in Shanghai are leased by SRE, a subsidiary of the Company, from Shanghai Lixin, an independent third party, pursuant to a lease agreement entered into in July 2005 at a monthly rental of RMB159,000 (equivalent to approximately HK\$169,000) and monthly management fees of RMB87,000 (equivalent to approximately HK\$92,000). The lease agreement expires on 31 March 2010. The Group is currently in negotiation with Shanghai Lixin with a view to agreeing the terms for the termination of the lease. The Company will issue further announcement in accordance with the GEM Listing Rules once the terms of termination of the lease are finalized.

Financial and Operational Impact of the Closure on the Group

Based on the annual report of the Company for the year ended 31 March 2007, the Group recorded an audited consolidated net loss from its discotheque business of approximately HK\$1.7 million during the year ended 31 March 2007. Further, based on the internal accounting records of the Company, the Group recorded an unaudited net loss from its discotheque business in Shanghai of approximately HK\$3.3 million during the six months ended 30 September 2007. The Directors anticipate that increased market competition in Shanghai and the expected renovation of the building within which the discotheque is located by the landlord, would continue to have a negative impact on the operations of the Rojam Disco in Shanghai in the near future. The Company therefore determined to cease the operations of the discotheque in Shanghai.

Following cessation of operation of Rojam Disco in Shanghai, the Group will principally focus on the business of digital distribution of music through AnyMusic, which the Group recently acquired in October 2007, and will also continue the operation of its discotheque in Suzhou. The Group believes that the newly acquired AnyMusic business will provide a new source of income to the Group.

Going forward, the Group will actively pursue business opportunities that will allow it to expand its entertainment and digital distribution of music related businesses in Asia.

Sufficiency of Operations

Based on the annual report of the Company for the year ended 31 March 2007, as at 31 March 2007 (before the Disposal, the distribution of the Special Dividend and the acquisition of AnyMusic), the audited consolidated total assets and total liabilities of the Group amounted to approximately HK\$380.5 million and HK\$13.7 million respectively. Following the Disposal, the distribution of the Special Dividend and the acquisition of AnyMusic, based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to the Company's circular dated 27 September 2007, the unaudited pro forma consolidated total assets and total liabilities of the Enlarged Group would be approximately HK\$391.5 million and HK\$24.7 million, respectively.

The Directors anticipate that the cessation of the operation of the Rojam Disco in Shanghai would not have a significant effect on the assets and liabilities of the Group. For the six months ended 30 September 2007, the Rojam Disco in Shanghai recorded unaudited revenue of approximately HK\$3.3 million and an unaudited net loss of approximately HK\$3.3 million, based on the internal financial records of the Group. As a result of the closure of the Rojam Disco in Shanghai, the Group expects to incur expenses in connection with the termination of the lease for the discotheque premises and in respect of the cessation of employment of the employees of the discotheque. The Company is currently in the course of discussions with the landlord and the employees and will separately announce details of the arrangements reached with them in respect of the above expenses.

Following cessation of the operation of Rojam Disco in Shanghai, the Group will principally focus on the business of digital distribution of music through AnyMusic, and will also continue the operation of its discotheque in Suzhou, through the Company's indirect 90% subsidiary, SRE.

The Group completed the acquisition of AnyMusic on 31 October 2007 and the business did not therefore make any contribution to the results of the Group for the six months ended 30 September 2007. However, the Directors anticipate that as the Group refocuses its operations on the music industry in the PRC, this business will make a significant contribution to the Group's revenue in the future and will be the principal revenue driver of the Group. In particular, the Directors anticipate that the closure of the loss-making discotheque in Shanghai will free up management time to focus on the expansion of this business.

The Rojam Club in Suzhou, which has an area of approximately 1,500 square metres, was soft-opened in April 2007 and formally opened in August 2007. As a result of the recent opening of that discotheque, as set out in the interim report of the Company, dated 14 November 2007, the Rojam Club in Suzhou did not contribute any significant revenue to the Group in the six months ended 30 September 2007. Going forward, this discotheque is expected to provide an additional source of revenue to the Group.

In light of the above, the Directors consider the Group's current business of digital distribution of music through AnyMusic and, to a lesser extent, the operation of discotheque in Suzhou, will provide the Group with a sufficient level of operations, with potential for future growth.

Resumption of Trading

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This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

DEFINITIONS

"AnyMusic"	AnyMusic Limited, a wholly foreign-owned enterprise established in Shenzhen, PRC acquired by the Group in October 2007
"Board"	the board of Directors
"Company"	Rojam Entertainment Holdings Limited
"Directors"	the directors of the Company
"Disposal"	the disposal of the record production and distribution business by the Group, details of which were set out in the Company's circular dated 15 March 2007 and which was approved by the shareholders of the Company on 31 March 2007

“Enlarged Group”	the Group immediately after completion of acquisition of AnyMusic
“GEM”	The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM made by the Stock Exchange from time to time
“Group”	the Company and its subsidiaries (having the meaning ascribed to it in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong))
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“PRC”	The People’s Republic of China
“Shanghai Lixin”	Shanghai Lixin Property Co., Ltd., a company incorporated in the PRC, the landlord of the premises on which the Group operated the Rojam Disco in Shanghai and a third party independent of the Company and its connected persons
“Share”	ordinary share of HK\$0.10 each in the share capital of the Company
“Special Dividend”	the special dividend of HK\$0.118 per Share paid by the Company to its shareholders, details of which were set out in the Company’s circular dated 4 May 2007 and which was approved by the shareholders of the Company on 30 May 2007
“SRE”	Shanghai Rojam Entertainment Company Limited, a limited liability company incorporated in the PRC and indirectly held as to 90% by the Company

By order of the Board
Takeyasu Hashizume
Chairman

Hong Kong, 28 December 2007

As at the date of this announcement, the Board comprises seven executive directors, namely Mr. Takeyasu Hashizume, Mr. Wang Kefei, Mr. Etsuro Tojo, Mr. Tetsuo Mori, Ms. Etsuko Hoshiyama, Ms. Cheng Kit Sum Clara and Mr. Hiroshige Tonomura; and three independent non-executive directors, namely Mr. Seiichi Nakaoda, Mr. Kwong Pui Kei and Mr. Law Kar Ping.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.rojam.com.