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# **NEXTmedia**

## **NEXT MEDIA LIMITED**

*(incorporated in Hong Kong with limited liability)*

### **RESULTS OF THE EGM**

At the EGM held on 22nd October, 2001, an ordinary resolution was passed to consolidate every five Existing Shares of HK\$0.20 each into one Consolidated Share of HK\$1.00, to increase the authorised share capital from HK\$900,000,000 to HK\$4,600,000,000 and to approve the acquisition of the entire issued share capital of DGL, the issue and allotment of the Consideration Shares, being 429,090,909 Consolidated Shares, and 1,160,000,000 Preference Shares as consideration for the entire issued share capital of DGL, the issue and allotment of the Capitalisation Shares, being 156,931,505 Consolidated Shares, in repayment of the shareholder loan owed by the Company to Mr. Lai and the issue and allotment of the Conversion Shares, being new Consolidated Shares which are to be issued upon conversion of the Preference Shares.

A special resolution was also passed at the EGM to amend the articles of association of the Company so as to deal with the Preference Shares.

The increase in the Company's authorised share capital became effective on 22nd October, 2001. The Share Consolidation became effective at 4 p.m. on 22nd October, 2001. Two of the conditions of the Acquisition Agreement, being the passing of the ordinary resolution and the special resolution referred to above, have been satisfied. The Stock Exchange has granted listing of and permission to deal in the Consolidated Shares which were in issue as at the date of the EGM and any Consolidated Shares which may be issued under the Company's share option schemes. Completion of the Acquisition Agreement remains conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval of the Company's new listing application; and
- (b) the Stock Exchange granting listing of and permission to deal in the Consideration Shares, the Capitalisation Shares and the Conversion Shares.

Completion of the Acquisition Agreement is expected to take place on 26th October, 2001.

At the EGM, another ordinary resolution was passed to approve the issue of not more than 200,000,000 new Consolidated Shares to Mr. Lai under the top-up placing described in the Circular.

The possible placing and the possible subscription described in the Circular will not proceed because of market conditions.

Mr. Lai's shareholding interest in the Company (for the purposes of the SDI Ordinance) was approximately 54.02 per cent. as at the date of this announcement and will be approximately 59.37 per cent. immediately after Completion and approximately 79.06 per cent. immediately after Completion and upon conversion of 1,160,000,000 Preference Shares at the initial Conversion Price of HK\$1.75 per Consolidated Share (subject to adjustment).

At the request of the Company, Shares have been suspended from trading on the Stock Exchange at 10:00 a.m. on 22nd October, 2001. Application has been made by the Company for resumption of the trading of the Shares. It is expected that trading will resume at 10:00 a.m. on 23rd October, 2001.

## **RESULTS OF THE EGM**

At the EGM, an ordinary resolution was passed (i) to consolidate every five Existing Shares of HK\$0.20 each into one Consolidated Share of HK\$1.00, (ii) to increase the authorised share capital of the Company from HK\$900,000,000 to HK\$4,600,000,000 by the creation of 1,670,000,000 Consolidated Shares and 1,160,000,000 Preference Shares and (iii) to approve the acquisition of the entire issued share capital of DGL, the issue and allotment of the Consideration Shares, being 429,090,909 Consolidated Shares, and 1,160,000,000 Preference Shares as consideration for the entire issued share capital of DGL, the issue and allotment of the Capitalisation Shares, being 156,931,505 Consolidated Shares, in repayment of the shareholder loan owed by the Company to Mr. Lai and the issue and allotment of the Conversion Shares, being new Consolidated Shares which are to be issued upon conversion of the Preference Shares.

A special resolution was also passed at the EGM to amend the articles of association of the Company so as to deal with the Preference Shares.

The increase in the Company's authorised share capital became effective on 22nd October, 2001. The Share Consolidation became effective at 4 p.m. on 22nd October, 2001. Two of the conditions of the Acquisition Agreement, being the passing of the ordinary resolution and the special resolution referred to above, have been satisfied. The Listing Committee of the Stock Exchange has granted listing of and permission to deal in the Consolidated Shares which were in issue as at the date of the EGM and any Consolidated Shares which may be issued under the Company's share option schemes. Completion of the Acquisition Agreement remains conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval of the Company's new listing application; and

- (b) the Stock Exchange granting listing of and permission to deal in the Consideration Shares, the Capitalisation Shares and the Conversion Shares.

Completion of the Acquisition Agreement is expected to take place on 26th October, 2001.

Another ordinary resolution was passed at the EGM to approve the issue of not more than 200,000,000 new Consolidated Shares to Mr. Lai under the top-up placing arrangement described in the Circular.

The possible placing and the possible subscription described in the Circular will not proceed because of market conditions.

The Consideration Shares, which amount to 429,090,909 Consolidated Shares in aggregate, represent:

- (i) approximately 66 per cent. of the existing issued share capital of the Company (being HK\$647,638,762 divided into 647,638,762 Consolidated Shares of HK\$1.00 each);
- (ii) approximately 35 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Capitalisation Shares; and
- (iii) approximately 18 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Capitalisation Shares and assuming conversion of 1,160,000,000 Preference Shares at the initial Conversion Price of HK\$1.75 per Consolidated Share.

Conversion of 1,160,000,000 Preference Shares at the initial Conversion Price of HK\$1.75 per Consolidated Share will result in the issue of 1,160,000,000 Consolidated Shares, representing:

- (i) approximately 179 per cent. of the existing issued share capital of the Company (being HK\$647,638,762 divided into 647,638,762 Consolidated Shares of HK\$1.00 each);
- (ii) approximately 94 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Capitalisation Shares; and
- (iii) approximately 48 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Capitalisation Shares and assuming conversion of 1,160,000,000 Preference Shares at the initial Conversion Price of HK\$1.75 per Consolidated Share.

The Capitalisation Shares, which amount to 156,931,505 Consolidated Shares in aggregate, represent:

- (i) approximately 24 per cent. of the existing issued share capital of the Company (being HK\$647,638,762 divided into 647,638,762 Consolidated Shares of HK\$1.00 each);
- (ii) approximately 13 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Capitalisation Shares; and
- (iii) approximately 7 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Capitalisation Shares and assuming conversion of 1,160,000,000 Preference Shares at the initial Conversion Price of HK\$1.75 per Consolidated Share.

## SHAREHOLDING STRUCTURE

The shareholding interests of each of the Directors (for the purposes of the SDI Ordinance) and the aggregate shareholding interests of the connected persons (being the Directors, Mr. Ho Kwok Fai, Morris, Mr. Lim Tai Thong, Mr. Chan Chun Shing, Otto and Mr. Hsu Chien-kuo, Gerald, who were Directors within the 12 months preceding the date of the Acquisition Agreement, and Ms. Assapimonwait Pilunya and Mr. Marc Faber (who, together with Mr. Lai, have agreed to sell shares in DGL as trustees for three children of Mr. Lai, all aged over 18)) and the public shareholding in the Company (i) as at date of this announcement, (ii) immediately after Completion and (iii) immediately after Completion and upon conversion of 1,160,000,000 Preference Shares at the initial Conversion Price of HK\$1.75 per Consolidated Share are as follows:

	As at the date of this announcement		Immediately after Completion		Immediately after Completion and upon conversion of 1,160,000,000 Preference Shares at the initial Conversion Price	
	Number of Consolidated Shares (million)	%	Number of Consolidated Shares (million)	%	Number of Consolidated Shares (million)	%
Directors						
Mr. Lai	349.85	54.02	732.39	59.37	1,892.39	79.06

Yeung Wai Hong	15.28	2.36	29.94	2.43	29.94	1.25
Chow On Kiu, Andrew	7.15	1.10	28.93	2.34	28.93	1.21
Ting Ka Yu, Stephen	2.05	0.32	4.99	0.40	4.99	0.21
Kok Hon Kay, Peter	0.92	0.14	15.79	1.28	15.79	0.66
Pieter Lodewijk Schats	0.45	0.07	0.45	0.04	0.45	0.02
Yeh V-nee	0.03	0.004	0.03	0.002	0.03	0.001
Fok Kwong Hang, Terry	--	--	--	--	--	--
Other connected persons *	39.32	6.07	110.64	8.97	110.64	4.62
Sub-total	415.05	64.09	923.15	74.83	2,083.15	87.03
Public	232.59	35.91	310.51	25.17	310.51	12.97
<b>Total</b>	<b>647.64</b>	<b>100.00</b>	<b>1,233.66</b>	<b>100.00</b>	<b>2,393.66</b>	<b>100.00</b>

\* *The shareholding interests of Mr. Ho Kwok Fai, Morris, Mr. Lim Tai Thong, Mr. Chan Chun Shing, Otto and Mr. Hsu Chien-Kuo, Gerald, who ceased to be Directors within the 12 months preceding the date of the Acquisition Agreement, are those which they had as at the date on which they ceased to be Directors.*

## **SUSPENSION OF TRADING**

At the request of the Company, Shares have been suspended from trading on the Stock Exchange at 10:00 a.m. on 22nd October, 2001. Application has been made by the Company for resumption of the trading of the Shares. It is expected that trading will resume at 10:00 a.m. on 23rd October, 2001.

## DEFINITIONS

“Acquisition”	the acquisition of the entire issued share capital of DGL
“Acquisition Agreement”	the agreement entered into between the Company and Mr. Lai and other sellers on 13th September, 2001 for the Acquisition and the capitalisation of the shareholder loan owed by the Company to Mr. Lai
“Board”	the board of directors of the Company
“Capitalisation Shares”	156,931,505 new Consolidated Shares to be allotted and issued to Mr. Lai in repayment of the shareholder loan owed by the Company to Mr. Lai
“Circular”	the circular of the Company dated 28th September, 2001
“Company”	Next Media Limited
“Consideration Shares”	429,090,909 Consolidated Shares to be allotted and issued to Mr. Lai and the other sellers in satisfaction of part of the consideration for the entire issued share capital of DGL
“Consolidated Shares”	shares of HK\$1.00 each in the capital of the Company, each of which represents five Existing Shares as a result of the Share Consolidation
“Conversion Price”	the price at which the Preference Shares may be converted into Conversion Shares, being HK\$1.75 per Consolidated Share, subject to adjustment
“Conversion Shares”	Consolidated Shares to be issued upon the exercise of the conversion rights attached to the Preference Shares
“DGL”	Database Gateway Limited, a company incorporated in the British Virgin Islands with limited liability
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company held on Monday, 22nd October, 2001

“Existing Shares”	shares of HK\$0.20 each in the capital of the Company, every five of which has been consolidated into one Consolidated Share
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars
“Mr. Lai”	Mr. Lai Chee Ying, Jimmy, the chairman, an executive Director and the controlling shareholder of the Company
“Preference Shares”	non-voting convertible preference shares of HK\$1.75 each in the capital of the Company convertible into new Consolidated Shares
“SDI Ordinance”	the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)
“Shares”	the Existing Shares and/or, as the context requires, the Consolidated Shares
“Share Consolidation”	the consolidation of every five Existing Shares of HK\$0.20 each into one Consolidated Share of HK\$1.00
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the board  
**Next Media Limited**  
**Chow On Kiu, Andrew**  
*Director*  
Hong Kong, 22nd October, 2001

Please also refer to the published version of this announcement in the Hong Kong iMail on 23-10-2001.