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If you have sold or transferred all your shares in Next Media Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF A SUBSIDIARY SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Next Media Limited to be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Monday, 22 July 2013 at 3:00 p.m. is set out on pages 22 to 26 of this circular.

If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:00 p.m. on 22 July 2013 and/or the Hong Kong Observatory has announced at or before 1:00 p.m. on 22 July 2013 that either of the above mentioned warnings is to be issued within the next two hours, the Annual General Meeting shall automatically be postponed to the next Business Day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:00 p.m. to 3:00 p.m. and in such case the Annual General Meeting shall be held at 3:00 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of Next Media Limited at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

26 June 2013

DEFINITIONS

In this circular and the appendices to it, unless the context otherwise requires, the following expressions have the following meanings:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held on Monday, 22 July 2013 at 3:00 p.m. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:00 p.m. on 22 July 2013 and/or the Hong Kong Observatory has announced at or before 1:00 p.m. on 22 July 2013 that either of the above mentioned warnings is to be issued within the next two hours, the Annual General Meeting shall automatically be postponed to the next Business Day on which no “black” rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:00 p.m. to 3:00 p.m. and in such case the Annual General Meeting shall be held at 3:00 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong
“AGM Notice”	the notice convening the Annual General Meeting, which is set out on pages 22 to 26 of this circular
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“Audit Committee”	the audit committee established by the Board on 19 March 1999 with specific terms of reference with primary responsibilities for overseeing the Group’s financial reporting, the appointment of auditor and their fees, and the effectiveness of the internal control system
“Board”	the board of directors of the Company
“Business Day(s)”	any day(s) (excluding Saturdays, Sundays or public holidays) on which the banks in Hong Kong generally are open for business
“BVI”	British Virgin Islands

DEFINITIONS

“CG Code”	Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules
“CEO”	the chief executive officer of the Group
“CFO”	the chief financial officer of the Group
“Company”	Next Media Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Controlling Shareholder”	Mr. Lai Chee Ying, Jimmy who held 1,786,533,165 Shares, representing approximately 73.49% of the total issued Shares of the Company, as at the Latest Practicable Date
“COO”	the chief operating officer of the Group
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Group Company”	a member of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 June 2013, the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing”	the listing on an internationally recognised stock exchange whether in Hong Kong or elsewhere of the Subsidiary of its holding company (except for the Company, which is already listed on the Stock Exchange) or such other company that then holds the business conducted or to be conducted by the Subsidiary and its subsidiaries after the date of adoption of the Subsidiary Share Option Scheme

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	The nomination committee established by the Board on 30 March 2012 with specific terms of reference with primary responsibilities for reviewing the structure, size and composition of the Board and making recommendations to the Board as and when appropriate
“Remuneration Committee”	the remuneration committee established by the Board on 15 March 2005 with specific terms of reference with primary responsibilities for reviewing and developing all policies appertaining to the remuneration of the Directors and members of senior management
“Repurchase Proposal”	the proposed general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution on the Stock Exchange, Shares representing up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution to approve the Repurchase Proposal as referred to in the AGM Notice
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company, or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time
“Shareholder(s)”	holder(s) of Share(s)
“Share Subscription and Financing Plan” or “Plan”	a share subscription and financing plan adopted on 29 October 2007 by the Board whereby selected eligible persons may be invited to apply for new Shares and offered the opportunity to finance their subscription by way of Plan loans

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary” or “nxTomo”	nxTomo Ltd., a private company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“Subsidiary Scheme Limit”	the limit imposed under the rules of the Subsidiary Share Option Scheme on the total number of shares in the Subsidiary which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Subsidiary Share Option Scheme and other share option schemes of the Subsidiary, being 30% of the shares in the Subsidiary in issue from time to time
“Subsidiary Scheme Mandate Limit”	the limit imposed under the rules of the Subsidiary Share Option Scheme on the total number of shares in the Subsidiary which may be issued upon exercise of all options to be granted under the Subsidiary Share Option Scheme and all other share option schemes of the Subsidiary, being 10% of the shares in the Subsidiary in issue as at the adoption date of the Subsidiary Share Option Scheme, equivalent to 1,000,000 shares of the Subsidiary
“Subsidiary Share Option Scheme” or “nxTomo Share Option Scheme”	the share option scheme of the Subsidiary to be adopted by the shareholders of the Subsidiary and to be approved by the Shareholders at the AGM, a summary of the principal terms of which is set out in the Appendix III of this circular
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

Executive Directors:

Lai Chee Ying, Jimmy (*Chairman*)
Cheung Ka Sing, Cassian (*CEO*)
Ting Ka Yu, Stephen (*COO and CFO*)
Ip Yut Kin

Independent Non-Executive Directors:

Fok Kwong Hang, Terry
Wong Chi Hong, Frank
Lee Ka Yam, Danny

Registered office:

1st Floor
8 Chun Ying Street
Tseung Kwan O Industrial Estate
Tseung Kwan O
New Territories
Hong Kong

26 June 2013

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF A SUBSIDIARY SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting to be held on Monday, 22 July 2013 and to provide you with information regarding ordinary resolutions to be proposed at the Annual General Meeting to (i) the re-election of Directors; (ii) the granting to the Directors of general mandates to allot and issue and repurchase Shares; and (iii) adoption of the Subsidiary Share Option Scheme.

RE-ELECTION OF DIRECTORS

Pursuant to articles 84 and 85 of the Articles of Association, at every annual general meeting, one-third of the relevant number of Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. Accordingly, Mr. Lai Chee Ying, Jimmy ("Mr. Lai") and Mr. Fok Kwong Hang, Terry ("Mr. Fok") will retire from office and, being eligible, offer themselves for re-election at the Annual General Meeting. Biographical details of such Directors are set out in Appendix I of this circular.

LETTER FROM THE BOARD

Pursuant to the code provision A.4.3. of CG Code contained in Appendix 14 to the Listing Rules, serving more than nine years could be relevant to the determination of a non-executive director's independence. If an independent non-executive director serves more than nine years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders.

Mr. Fok joined the Company since 21 June 2000. Should Mr. Fok be re-elected at the AGM as independent non-executive Director, Mr. Fok will be serving as an independent non-executive Director of the Company for more than nine years. The Company received from Mr. Fok a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Fok had a total personal interest in 1,800,000 Shares and a derivative interest in respect of 510,000 Shares, representing, as at the Latest Practicable Date, approximately 0.074% and 0.021% of the issued share capital of the Company respectively. Mr. Fok does not have any management role in the Group and he has no business relationship with other Directors, senior management or substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Fok has at all times exercised independent judgment concerning issues of strategy, policy, performance and standard of conducts when participating in the Board and/or committee meetings. The Board believes that, despite Mr. Fok has been an independent non-executive Director for more than 9 years, he possesses the character, integrity, independence and experience commensurate with the office of an independent non-executive Director. Therefore, the re-appointment of Mr. Fok will enable the Board to continue the benefit from sharing of Mr. Fok's invaluable professional experience, contribution and participation.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 30 July 2012, a general mandate was granted to the Directors to exercise the power of the Company to allot and issue Shares (and securities convertible into Shares). This mandate will expire at the conclusion of the Annual General Meeting. Accordingly, an ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a general mandate to allot and issue 486,201,376 Shares (and securities convertible into Shares) with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution. As at the Latest Practicable Date, the issued share capital of the Company consisted of 2,431,006,881 Shares. This 20% limit will not apply to Shares that may be issued pursuant to, inter alia, (i) a rights issue, (ii) scrip dividend extended to all Shareholders; and (iii) the exercise of subscription rights under the share option scheme of the Company. Such general mandate (if granted) will continue in force until the conclusion of the next general meeting of the Company to be held in 2014 or the revocation or variation of the authority given under the resolution by the Company, whichever is the earlier.

No invitations were made and accepted during the financial year ended 31 March 2013 and up to the Latest Practicable Date under the Share Subscription and Financing Plan. All invitations (representing a total of 33,504,000 Shares) issued under the Share Subscription and Financing Plan were lapsed during the financial year ended 31 March 2013.

LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 30 July 2012, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company. This mandate will expire at the conclusion of the Annual General Meeting. Accordingly, the Repurchase Resolution will be proposed at the Annual General Meeting to grant to the Directors a general mandate to repurchase 243,100,688 Shares representing 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the Repurchase Resolution. Such general mandate (if granted) will continue in force until the conclusion of the next annual general meeting of the Company to be held in 2014 or the revocation or variation of the authority given under the resolution by the Company, whichever is the earlier. In accordance with the rules regulating the repurchase of securities on the Stock Exchange, an explanatory statement providing the requisite information relating to the Repurchase Proposal is set out in Appendix II of this circular.

EXTENSION OF SHARE ISSUE MANDATE

Subject to the passing at the Annual General Meeting of the Repurchase Resolution and the proposed ordinary resolution regarding the general mandate to issue Shares, an ordinary resolution will be proposed at the Annual General Meeting to approve the addition to the general mandate to allot and issue new Shares (as referred to above) those number of Shares that may be repurchased by the Company under the Repurchase Resolution.

PROPOSED ADOPTION OF A SUBSIDIARY SHARE OPTION SCHEME

nxTomo, an indirect wholly-owned subsidiary of the Company, proposes to adopt the Subsidiary Share Option Scheme. The purpose of Subsidiary Share Option Scheme is to provide the Subsidiary Share Option Scheme Participant(s) with opportunity to acquire proprietary interests in nxTomo and to encourage them to work towards enhancing the value of the Subsidiary and its shares for the benefit of the Subsidiary and its shareholders as a whole.

The Subsidiary is engaged in the provision of a digital platform – nxTomo for publishing the Group’s animation titles, TomoToon, online games and animated news and launching new content via new mobile capabilities which enables geo-location-based content interaction including commerce.

As at the Latest Practicable Date, there was no other share option scheme put in place by the Subsidiary.

The shares to be issued upon an exercise of the options granted under the Subsidiary Share Option Scheme will be the shares in the Subsidiary, not the Company’s Shares.

None of the Directors are trustees of the Subsidiary Share Option Scheme or have a direct or indirect interests in the trustees.

LETTER FROM THE BOARD

No Shareholder is required to abstain from voting under the Listing Rule on the ordinary resolution in respect of the adoption of the Subsidiary Share Option Scheme at the Annual General Meeting.

The sole shareholder of the Subsidiary has given its approval for the adoption of the Subsidiary Share Option Scheme conditional on the approval by the Shareholders at the Annual General Meeting. A summary of the principal terms of the Subsidiary Share Option Scheme's documents will be available for inspection at the Company's registered office at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong from (and including) Wednesday, 26 June 2013 and up to and including Monday, 22 July 2013 at the Annual General Meeting.

The Subsidiary Share Option Scheme complies with the applicable requirements under Chapter 17 of the Listing Rules.

ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 22 to 26 of this circular. Ordinary resolutions in respect of the re-election of the Directors, the general mandate to allot and issue securities, repurchase Shares and the adoption of the Subsidiary Share Option Scheme will be proposed at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the Annual General Meeting will therefore demand voting on all resolutions set out in the AGM Notice be taken by way of poll pursuant to article 61 of the Articles of Association.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his name in the register. A Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the general mandate to allot and issue securities and the Repurchase Proposal and the adoption of the Subsidiary Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of all of the ordinary resolutions to be proposed as special business at the Annual General Meeting.

The Controlling Shareholder has indicated that he intends to vote in favour of all of the ordinary resolutions to be proposed as special business at the Annual General Meeting in respect of his shareholdings in the Company.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
By order of the Board
Lai Chee Ying, Jimmy
Chairman

Pursuant to articles 84 and 85, Mr. Lai Chee Ying, Jimmy and Mr. Fok Kwong Hang, Terry shall retire at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting. Their biographical details are as follows:

Mr. Lai Chee Ying, Jimmy, aged 66, has been a Director and Chairman of the Company since 1999 and he is responsible for formulating and implementing the Group's strategic policies. Mr. Lai entered the print media industry by launching *Next Magazine* in March 1990. He subsequently added several other popular titles to his stable of publications, including *Easy Finder* (September 1991, renamed *FACE* in May 2007), *Apple Daily* (June 1995), *Sudden Weekly* (August 1995), *Eat & Travel Weekly* (July 1997), *ME!* (December 2006) and *Sharp Daily* (September 2011). Mr. Lai extended the boundaries of the Group's operations from Hong Kong to Taiwan by launching *Taiwan Next Magazine* (May 2001), *Taiwan Apple Daily* (May 2003) and *Taiwan Sharp Daily* (October 2006). Prior to founding his publishing business in 1990, Mr. Lai had a distinguished 30-year career in the local garment industry, establishing and running the hugely successful Giordano manufacturing and retail chain.

Other than in his capacity as a Director and a Controlling Shareholder by virtue of his shareholding interests in the Company (details of which are described below), Mr. Lai is not related to and has no business relationship with the other Directors and senior management of the Company. Mr. Lai also did not have directorship held in other public companies in the last three years. Mr. Lai holds directorships in some of the subsidiaries within the Group.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Lai had a total interest in 1,786,533,165 Shares (of which 1,720,594,935 Shares are personal interests, 1,000,000 Shares are corporate interests and 64,938,230 Shares are other interests), representing approximately 73.49% of the issued share capital of the Company.

There is no existing service contract between Mr. Lai and the Company. He is entitled to receive a Director's fee, currently being HK\$200,000 per annum, as may be reviewed by the Remuneration Committee and approved by the Board with reference to his responsibilities and prevailing market practices subject to an authority being granted by the Shareholders at the Annual General Meeting. Mr. Lai received emoluments including all benefits in the total amount of HK\$5,128,496 and a Director's fee of HK\$200,000 for the year ended 31 March 2013.

Save as disclosed above, there is no information relating to Mr. Lai which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Fok Kwong Hang, Terry, aged 57, has been an independent non-executive Director of the Company since June 2000. He is also a member of each of the Audit Committee, Nomination Committee and the Chairman of the Remuneration Committee of the Company. Mr. Fok holds both M.Sc. and MBA degrees from the University of Wisconsin, U.S.A. He has over 25 years' experience in the securities industry, and he is currently the owner of T & F Equities Limited.

Other than in his capacity as a Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Fok is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Fok also did not have directorship held in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Fok had a personal interest in 1,800,000 Shares and a derivative interest in respect of 510,000 Shares, representing approximately 0.074% and 0.021% of the issued share capital of the Company respectively.

Mr. Fok does not have a service contract with the Company. He has been appointed as an independent non-executive Director for a fixed term expiring on 31 March 2015, subject to the provisions relating to re-election and retirement by rotation at annual general meeting as stipulated in the Articles of Association. Mr. Fok is entitled to receive a Director's fee, currently being HK\$330,000 per annum, as may be reviewed by the Remuneration Committee and approved by the Board with reference to his responsibilities and prevailing market practices subject to an authority being granted by the Shareholders at the Annual General Meeting. Mr. Fok received a Director's fee of HK\$330,000 for the year ended 31 March 2013.

Save as disclosed above, there is no information relating to Mr. Fok which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

This Appendix contains an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Proposal. It also constitutes a memorandum as required under section 49BA(3) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company consisted of 2,431,006,881 Shares. Subject to the passing of the Repurchase Resolution and on the basis that no other Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Repurchase Proposal, the Company would be authorised under the Repurchase Resolution to repurchase a maximum of 243,100,688 Shares (representing not more than 10% of the issued share capital of the Company traded on the Stock Exchange as at the Latest Practicable Date).

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and the Shareholders. Repurchases of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of Shareholder value and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules and the laws of Hong Kong. The Companies Ordinance provides that a share repurchase may only be made out of the distributable profits of the Company and/or the proceeds of a new issue of Shares.

A material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2013, the most recent published audited financial statements of the Company) may occur in the event that the general mandate under the Repurchase Proposal is utilised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate under the Repurchase Proposal to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date are as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
June 2012	0.610	0.530
July 2012	0.570	0.500
August 2012	0.550	0.455
September 2012	0.780	0.490
October 2012	1.760	0.830
November 2012	1.700	1.330
December 2012	1.700	1.320
January 2013	1.600	1.280
February 2013	1.460	1.200
March 2013	1.330	1.090
April 2013	0.930	0.790
May 2013	0.990	0.720
June 2013 (up to the Latest Practicable Date)	0.940	0.770

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Repurchase Proposal and in accordance with the Listing Rules and the laws of Hong Kong.

6. TAKEOVERS CODE

If, on the exercise of the general mandate to repurchase Shares pursuant to the Repurchase Proposal, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and may, in certain circumstances, become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the Controlling Shareholder held 1,786,533,165 Shares representing approximately 73.49% of the issued share capital of the Company. As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, the Controlling Shareholder and Madam Li Wan Kam, Teresa, who is the spouse of the Controlling Shareholder and is deemed to be interested in the Shares held by the Controlling Shareholder, are the only persons who are interested in 10% or more of the issued Shares.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Proposal, the shareholding of the Controlling Shareholder and the deemed interest of Madam Li Wan Kam, Teresa would be increased to approximately 81.65% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Proposal. Having said that, the Directors have no intention to exercise the power to repurchase Shares to such an extent when the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

7. SHARE REPURCHASE MADE BY THE COMPANY

The Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

8. MISCELLANEOUS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Proposal is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified it of a present intention to sell any Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

This Appendix sets out further information of the summary of the principal terms of the Subsidiary Share Option Scheme.

SUMMARY OF TERMS

1. The purpose of the Subsidiary Share Option Scheme is to provide the Subsidiary Share Option Scheme Participant(s) (as described in paragraph 3 below) with the opportunity to acquire proprietary interests in the Subsidiary and to encourage them to work towards enhancing the value of the Subsidiary and its shares for the benefit of the Subsidiary and its shareholders as a whole. The Directors believe that the authority given to the board of directors of the Subsidiary under the Subsidiary Share Option Scheme to determine the eligibility of any Subsidiary Share Option Scheme Participant of any option based on his or her contribution and specify any minimum holding period and/or performance target as conditions in any option granted and the requirement for a minimum subscription price will serve to protect the value of the Subsidiary and achieve the purpose stated above.
2. The Subsidiary Share Option Scheme is to be administered by the board of directors of the Subsidiary, and the decisions of the board of directors of the Subsidiary shall be final and binding on all parties. The board of directors of the Subsidiary shall have the rights to (i) interpret and construe the provisions of the Subsidiary Share Option Scheme, (ii) determine the persons who will be offered options under the Subsidiary Share Option Scheme, and the number of shares and subscription price, subject to the terms described in paragraphs 6, 7 and 11 below, in relation to such options, (iii) subject to the terms described in paragraph 21 below, make such appropriate and equitable adjustments to the terms of the options granted under the Subsidiary Share Option Scheme as it deems appropriate, and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of the Subsidiary Share Option Scheme.
3. The Subsidiary Share Option Scheme Participant(s) include:-
 - (i) any full-time employee(s) of the Subsidiary or any of its subsidiaries;
 - (ii) directors of the Subsidiary or any of its subsidiaries; and
 - (iii) any person(s) whether or not an employee(s) or officer(s) of the Subsidiary or any of its subsidiaries who the board of directors of the Subsidiary considers to be able to enhance the operations or value of the Subsidiary.
4. The board of directors of the Subsidiary is entitled, at any time on a Business Day within the period commencing from the adoption date of the Subsidiary Share Option Scheme and expiring on the earlier of (a) the date of Listing or (b) the tenth anniversary of the adoption date of the Subsidiary Share Option Scheme, to make an offer to any Subsidiary Share Option Scheme Participant in its absolute discretion to take up an option, pursuant to which such Subsidiary Share Option Scheme Participant may subscribe for such number of shares in the Subsidiary as the board of directors of the Subsidiary may determine at the subscription price.

5. Each grant of options to any director, chief executive or substantial shareholder of the Subsidiary or of the Company, or any of their respective associates (as defined in the Listing Rules), shall for so long as the Subsidiary remains a subsidiary of the Company, be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the proposed grantee of the options). Where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares in the Subsidiary which may be issued and to be issued upon exercise of all options already granted and to be granted (including options redeemed, exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:-
- (i) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the shares in the Subsidiary in issue; and
 - (ii) having an aggregate net asset value, assuming such options were exercised, based on the then latest audited consolidated accounts of the Subsidiary, in excess of HK\$5 million (or such other amount as may from time to time be specified by the Stock Exchange).

such grant of options must be approved (voting by way of poll) by the Shareholders by resolution on which all connected persons (as defined in the Listing Rules) of the Company must abstain from voting (except that any connected person may vote against the relevant resolution at the general meeting provided that his or her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith).

6. The overall limit on the number of shares in the Subsidiary which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Subsidiary Share Option Scheme and other share option schemes of the Subsidiary must not exceed the Subsidiary Scheme Limit. No options will be granted under the Subsidiary Share Option Scheme at any time if such grant will result in the Subsidiary Scheme Limit being exceeded.

The total number of shares in the Subsidiary which may be issued upon exercise of all options to be granted under the Subsidiary Share Option Scheme and all other share option schemes of the Subsidiary shall not exceed the Subsidiary Scheme Mandate Limit (being 10% of the shares in the Subsidiary in issue as at the adoption date of the Subsidiary Share Option Scheme, equivalent to 1,000,000 shares of the Subsidiary), subject to refresher of the Subsidiary Scheme Mandate Limit as referred to below. Options lapsed in accordance with the terms and conditions of the Subsidiary Share Option Scheme or any other share option schemes of the Subsidiary shall not be counted for the purpose of calculating the Subsidiary Scheme Mandate Limit.

The Subsidiary may refresh the Subsidiary Scheme Mandate Limit at any time subject to prior approval of the shareholder(s) of the Subsidiary and for so long as the Subsidiary remains a subsidiary of the Company, the prior approval of the Shareholders in general meeting. However, the Subsidiary Scheme Mandate Limit as refreshed must not exceed 10% of the shares in the Subsidiary in issue as at the date of the approval of the shareholder(s) of the Subsidiary and (as applicable) Shareholders' approval or if the date of the said approvals are different, the later date of approval. Options previously granted under the Subsidiary Share Option Scheme and any other share option schemes of the Subsidiary (including those outstanding, cancelled or lapsed in accordance with the schemes or exercised) will not be counted for the purpose of calculating the limit as refreshed. A circular with relevant information as required under the Listing Rules must be sent to the Shareholders (for so long as the Subsidiary remains a subsidiary of the Company) and the shareholder(s) of the Subsidiary in connection with the meetings at which their approval will be sought.

The Subsidiary may seek separate approval of its shareholder(s) and, for so long as the Subsidiary remains a subsidiary of the Company, the Shareholders in general meeting for granting options beyond the Subsidiary Scheme Mandate Limit provided the options in excess of the Subsidiary Scheme Mandate Limit are granted only to Subsidiary Share Option Scheme Participants specifically identified by the Subsidiary before such approval is sought. A circular with relevant information as required under the Listing Rules must be sent to the Shareholders (if necessary) and the shareholder(s) of the Subsidiary containing, amongst others, a generic description of the identified Subsidiary Share Option Scheme Participants, the number and terms of the options to be granted, the purpose of granting options to the identified Subsidiary Share Option Scheme Participants, and any explanations as to how the terms of these options serve such purpose.

7. The total number of shares in the Subsidiary which may be issued and to be issued upon exercise of the options granted and to be granted to each Subsidiary Share Option Scheme Participant or grantee (including both redeemed and outstanding options) in any 12-month period must not exceed 1% of the shares of the Subsidiary in issue. Any further grant of options (including redeemed, cancelled and outstanding options) to a Subsidiary Share Option Scheme Participant or grantee in excess of 1% of the shares of the Subsidiary in issue must be subject to separate approval by the shareholder(s) of the Subsidiary and, for so long as the Subsidiary remains a subsidiary of the Company, separate Shareholders' approval in general meeting of the Company with such grantee and his or her associates (as such term is defined in the Listing Rules) abstaining from voting. A circular with relevant information as required under the Listing Rules must be sent to the shareholder(s) of the Subsidiary and, for so long as the Subsidiary remains a subsidiary of the Company, the Shareholders disclosing, amongst others, the identity of the Subsidiary Share Option Scheme Participant or grantee (as the case may be) and the number and terms of the options granted and proposed to be granted. The number and terms (including the subscription price) of options to be granted to such grantee must be fixed before Shareholders' approval(s) is(are) sought and the date of the board meeting of the Subsidiary for proposing such further grant should be taken as the date of grant.

8. The board of directors of the Subsidiary will determine and inform all grantees the relevant exercise period of the options. In any event the option period shall end on a date not later than the date falling six months prior to the lodgement of an application with the relevant stock exchange for the Listing or 10 years from the date of adoption of the Subsidiary Share Option Scheme, whichever is the earlier.
9. The Subsidiary Share Option Scheme does not specify the requirements as to minimum period for which an option must be held or minimum performance targets that must be reached before the option can be exercised in whole or in part. The offer shall specify the terms on which the option is to be granted. Such terms may include (i) minimum periods for which an option must be held; and/or (ii) minimum performance targets that must be reached before the option can be exercised in whole or in part; and/or (iii) such other terms as may be imposed at the discretion of the board of directors of the Subsidiary either on a case-by-case basis or generally.
10. An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of shares in the Subsidiary in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Subsidiary of HK\$10.00 by way of consideration for the grant thereof, is received by the Subsidiary within 14 days from the date on which the letter containing the offer is delivered to the Subsidiary Share Option Scheme Participant. Such remittance shall not be refundable in any circumstances.
11.
 - (i) Subject to paragraph 11(ii) below, the subscription price shall be determined solely by the board of directors of the Subsidiary with reference to factors which may include the business performance and value of the Subsidiary and individual performance of the relevant grantee but shall always be higher than or equal to the nominal value of a share of the Subsidiary.
 - (ii) No option may be granted (or if granted before then will automatically lapse) either after the Subsidiary has resolved to seek a Listing or during the period commencing 6 months before the lodgement of an application with the relevant stock exchange for the Listing and at any time thereafter.
12. The shares in the Subsidiary to be allotted upon the exercise of an option will be subject to all the provisions of the articles of association of the Subsidiary for the time being in force and will rank *pari passu* with the fully paid shares in issue at the time when the name of grantee is registered in the register of members of the Subsidiary. Prior to the grantee being registered in the register of members of the Subsidiary, the grantee shall not have any voting rights, or rights to participate in any dividends or distributions or any rights arising on a liquidation of the Subsidiary, in respect of the shares in the Subsidiary to be issued upon the exercise of the option.

13. Subject to the provisions of the rules of the Subsidiary Share Option Scheme, the Subsidiary Share Option Scheme shall be valid and effective for the period set out in paragraph 4. After the Listing or the expiry of the 10-year period from the date of adoption of the Subsidiary Share Option Scheme, whichever is earlier, no further options shall be granted and no options shall be exercisable.
14. An option shall lapse automatically (to the extent not already exercised) on the earliest of:-
- (i) the expiry of the option period as stipulated in the offer letter;
 - (ii) the date of the commencement of the winding-up of the Subsidiary;
 - (iii) on termination of the Subsidiary Share Option Scheme in accordance with paragraph 18 below;
 - (iv) the expiry of the Subsidiary Share Option Scheme in accordance with paragraph 13 above;
 - (v) the date when the Subsidiary resolves to seek a Listing;
 - (vi) the date which is six months before the lodgement of an application by the Subsidiary for a Listing;
 - (vii) the date on which the grantee commits a breach of paragraph 19 below; and
 - (viii) the date on which the grantee ceases to be a Subsidiary Share Option Scheme Participant.
15. In the event of any capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Subsidiary, while any option granted remains exercisable, such corresponding adjustment (if any) shall be made to (a) the number of shares subject to any option so far as such option remains unexercised and subject to the Subsidiary Share Option Scheme and/or (b) the subscription price, provided that any such adjustment must comply with Chapter 17 of the Listing Rules, the supplemental guidance issued on 5 September 2005 by the Stock Exchange entitled "Supplemental Guidance on Main Board Listing Rules 17.03(13)/GEM Listing Rule 23.03(13) and the note immediately after the Rule" and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

No such adjustment shall be made the effect of which would be to enable a share in the Subsidiary to be issued at less than its nominal value.

16. Any options granted but not exercised may be cancelled and new options may be granted to the grantee provided that such new options fall within the limits prescribed by the provisions of the Subsidiary Share Option Scheme, excluding the cancelled options, and are otherwise granted in accordance with the terms and conditions of the Subsidiary Share Option Scheme. The grantee shall not be entitled to any redemption or compensation or benefits whatsoever and shall have no claim against the Subsidiary.
17. The shares issued on exercise of the options will on issue be identical to the then existing issued shares of the Subsidiary.
18. The Subsidiary by ordinary resolution of its shareholder(s) or the board of directors of the Subsidiary may at any time terminate the operation of the Subsidiary Share Option Scheme and in such event no further options will be offered or granted. Options which are granted during the life of the Subsidiary Share Option Scheme and remain unexpired immediately prior to such termination shall lapse immediately upon termination of the Subsidiary Share Option Scheme.
19. An option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any option. Any breach of the foregoing shall entitle the Subsidiary to cancel any outstanding option or part thereof granted to such grantee without incurring any liability on the part of the Subsidiary.
20. The Subsidiary shall, subject that the grantee having fulfilled the terms and conditions of the options (if any), redeem and cancel a particular option by paying the grantee in cash at the subscription price in the earliest of any the following circumstances before the Listing:-
 - (i) upon the grantee ceasing to be a Subsidiary Share Option Scheme Participant for any reason (other than his or her resignation or on the grounds that he or she has been guilty of serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the board of directors of the Subsidiary) on any other grounds on which the Subsidiary or its relevant subsidiaries would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Subsidiary or its relevant subsidiaries or as a result of mandatory dismissal under the relevant laws and regulations);

- (ii) upon the change in control of the Subsidiary (other than pursuant to a reorganisation for the Listing) and for the purpose of this paragraph 20(ii), “change in control” occurs when the Subsidiary ceases to be a subsidiary of the Company; and
 - (iii) in such other circumstances as the board of directors of the Subsidiary considers appropriate either generally or on a case-by-case basis provided that if the grantee is a connected person or an associate of a connected person of the Company (within the meaning of the Listing Rules) and for so long as the Subsidiary remains a subsidiary of the Company, such redemption shall be approved both by, (a) a resolution of the board of directors of the Subsidiary and (b) the independent non-executive directors of the Company or a board committee of the Company with the majority of which is independent non-executive directors of the Company.
21. The Subsidiary Share Option Scheme may be altered in any respect by resolution of the board of directors of the Subsidiary except those specific provisions of the Subsidiary Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules (namely the definitions of “Option Period”, “Participant” and “Grantee” and the provisions in the rules of the Subsidiary Share Option Scheme in relation to matters set out in paragraphs 1, 3, 6 to 17, 19 and 21 in this Appendix) which cannot be altered to the advantage of the grantees or prospective grantees and no changes to the authority of the directors or administrator of the Subsidiary Share Option Scheme in relation to any alteration of the terms of the Subsidiary Share Option Scheme shall be made, without the prior approval of shareholder(s) of the Subsidiary and for so long as the Subsidiary remains a subsidiary of the Company, the prior approval of the Shareholders in general meeting. Any alterations to the terms and conditions of the Subsidiary Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the shareholder(s) of the Subsidiary and for so long as the Subsidiary remains a subsidiary of the Company, approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the Subsidiary Share Option Scheme. The Subsidiary Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Next Media Limited (the “Company”) will be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Monday, 22 July 2013 at 3:00 p.m. for the purpose of transacting the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Reports of the Directors and the Auditor and the audited Financial Statements for the year ended 31 March 2013.
2. (a) To re-elect Mr. Lai Chee Ying, Jimmy as an executive director of the Company.

(b) To re-elect Mr. Fok Kwong Hang, Terry as an independent non-executive director of the Company.
3. To approve a sum not exceeding HK\$3,000,000 to be paid to the Directors of the Company as fees of the Directors for the year ending 31 March 2014.
4. To re-appoint Deloitte Touche Tohmatsu as auditor and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modification the following as ordinary resolutions:-

5. “**THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to allot and issue additional shares in the capital of the Company (including but not limited to the share subscription and financing plan of the Company adopted on 29 October 2007) and to make or grant offers, agreements and options (including warrants and securities convertible or exercisable into shares of the Company) which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
 - (iii) the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted (excluding the share subscription and financing plan of the Company adopted on 29 October 2007) for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of the shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly;

- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares in the Company, open for a period fixed by the Directors to the holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors, after making enquiry, may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of the relevant place, or the requirements of the relevant regulatory body, or any stock exchange in that place).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to repurchase shares in the capital of the Company, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Directors pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional upon the passing of Resolutions Nos. 5 and 6 set out in the Notice of this Meeting, the aggregate nominal amount of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under Resolution No. 5 set out in the Notice of this Meeting be and is hereby increased and extended by adding the aggregate nominal amount of shares in the capital of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under Resolution No. 6 set out in the Notice of this Meeting provided that such amount of shares of the Company so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution.”

8. “**THAT** the rules of the proposed share option scheme of nxTomo Ltd. (a copy of which has been produced to this Meeting marked ‘A’ and initialled by the chairman of the Meeting for the purpose of identification) be and are hereby approved and the Directors of the Company be and are hereby authorised to execute such documents and take such action as they deem appropriate to implement and give effect to the scheme.”

By Order of the Board
Wong Shuk Ha, Cat
Company Secretary

Hong Kong, 26 June 2013

Notes:

1. Pursuant to the Listing Rules and the Articles of Association of the Company, any vote of member at a general meeting must be taken by poll except where the chairman of the meeting of the Company, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

2. Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of such member in accordance with the Articles of Association of the Company. A proxy need not be a member of the Company.

3. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.

4. The Register of Members of the Company will be closed from Friday, 19 July 2013 to Monday, 22 July 2013, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 18 July 2013.

NOTICE OF ANNUAL GENERAL MEETING

5. In relation to Resolution No. 2 in this Notice, Mr. Lai Chee Ying, Jimmy and Mr. Fok Kwong Hang, Terry will retire at the Annual General Meeting pursuant to the Company's Articles of Association and being eligible, offer themselves for re-election. The re-election of the aforementioned Directors will be individually voted on by the shareholders of the Company. The biographical details and interests in the shares of the Company and its subsidiaries within the meanings of Part XV of the Securities and Future Ordinance of those Directors who stand for re-election at the Annual General Meeting are set out in Appendix I of the circular accompanying this Notice.
6. In relation to Resolution No. 3 in this Notice, it is proposed that a sum not exceeding HK\$3,000,000 be paid as fees to the Directors of the Company, such sum to be divided between the Directors of the Company in such ways as may be determined by the Board of Directors. The executive Directors of the Company are paid in accordance with their remuneration packages and in such sums as determined by the Board of Directors.
7. In relation to Resolution Nos. 5 and 7, the Directors wish to state that they have no immediate plan to issue any new shares of the Company. The general mandate is being sought from the shareholders in compliance with the Companies Ordinance and the Listing Rules.
8. In relation to Resolution No. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the Company. The explanatory statement containing the information relating to the repurchase of shares, as required by the Listing Rules, is set out in Appendix II of the circular accompanying this Notice.
9. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:00 p.m. on 22 July 2013 and/or the Hong Kong Observatory has announced at or before 1:00 p.m. on 22 July 2013 that either of the above mentioned warnings is to be issued within the next two hours, the Annual General Meeting shall automatically be postponed to the next Business Day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:00 p.m. to 3:00 p.m. and in such case the Annual General Meeting shall be held at 3:00 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong. "Business Day", in this context, shall mean a day (not being Saturday, Sunday or public holiday) on which banks in Hong Kong generally are open for business.