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## **NEXT MEDIA LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00282)**

### **CONNECTED TRANSACTION**

The Board of the Company announced that on 26 March 2009, the Purchaser, an indirect wholly-owned subsidiary of the Company, purchased, and the Seller sold 54,172 ordinary shares of HK\$0.01 par value each in ADPDL, representing 0.50% of the total issued share capital of ADPDL for a total consideration of HK\$4,723,798.40.

The Seller, being an ex-director of both the Company and ADPDL, is regarded as a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules. Since more than one of the applicable percentage ratios in respect of the Acquisition exceed 0.1% but are less than 2.5%, the Acquisition is subject to disclosure by way of an announcement and reporting requirement and is exempt from the approval by the independent shareholders of the Company pursuant to Rule 14A.32 of the Listing Rules.

#### **THE ACQUISITION**

The Board of the Company announced that on 26 March 2009, the Purchaser, an indirect wholly-owned subsidiary of the Company, purchased and the Seller sold 54,172 ordinary shares of HK\$0.01 par value each in ADPDL, representing 0.50% of the total issued share capital of ADPDL for a total consideration of HK\$4,723,798.40.

#### **DETAILS OF THE ACQUISITION**

##### **Date**

26 March 2009

##### **Purchaser**

Amazing Sino International Limited, an indirect wholly-owned subsidiary of the Company, is a shareholder of ADPDL holding 92.44% of the total issued share capital

of ADPDL as at the date hereof.

**Seller**

Mr. Tung Chuen Cheuk, an ex-director of both the Company and ADPDL within the preceding 12 months from the date of this announcement and the holder of the Sale Shares, representing 0.50% of the total issued share capital of ADPDL.

**Asset acquired**

54,172 ADPDL Shares, representing 0.50% of the entire issued share capital of ADPDL. The original subscription price paid by the Seller for the 54,172 ADPDL Shares were HK\$541.72 in aggregate.

**Consideration**

The total consideration is HK\$4,723,798.40, which was arrived at after arm's length negotiations between the Seller and the Purchaser with reference to a multiple of the earnings per share pursuant to the audited consolidated financial statements of ADPDL for the year ended 31 March 2008.

**Payment Terms**

The total consideration will be payable once stamping of the relevant instrument of transfer and bought and sold notes in respect of the Sale Shares are completed and will be satisfied by the internal resources of the Group.

**INFORMATION ON ADPDL**

ADPDL is a private company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company. It is principally engaged in the publication and selling of newspapers and selling of newspaper advertising space in Taiwan. It was incorporated by a wholly-owned subsidiary of the Company at a cost of HK\$10,000.00 and now has an authorised share capital of HK\$200,000.00 divided into 20,000,000 ordinary shares of HK\$0.01 each. It has an issued share capital of HK\$108,175.62 divided into 10,817,562 ordinary shares of HK\$0.01 each. Prior to the completion of the Acquisition, the Company has an indirect 92.44% interest in the entire issued share capital of ADPDL with a remaining of 7.56% (including the 0.50% held by the Seller) held by the minority shareholders. The Sale Shares were allotted to the Seller upon his exercise of the options granted under the 2007 ADPDL Share Option Scheme at an exercise price of HK\$0.01 per share. After the completion of the Acquisition, the Company will have an indirect 92.94% interest in the entire issued share capital of ADPDL and the Seller will cease to have any interest in the share capital of ADPDL.

Based on the audited consolidated financial statements of ADPDL for the years ended 31 March 2007 and 2008, the net liabilities of ADPDL as at 31 March 2007 and 2008 were HK\$768,027,370.00 and HK\$535,230,296.00 respectively, of which HK\$2,707,433.50 was attributable to the 54,172 ADPDL Shares held by the Seller as at 31 March 2008. ADPDL's audited net profits before and after tax for the year

ended 31 March 2007 were both HK\$69,394,400.00, and its audited net profits before and after tax for the year ended 31 March 2008 were both HK\$186,805,890.00, of which HK\$944,947.49 was attributable to the 54,172 ADPDL Shares. The 54,172 ADPDL Shares were allotted to the Seller on 10 September 2007 and 27 December 2007 respectively.

## **INFORMATION ON THE GROUP**

The Group is engaged in publishing and printing newspapers, magazines and books. It is also engaged in the sale of newspaper and magazine advertising spaces, printing and reprographic services, delivery of internet content and sale of website advertising space.

## **INFORMATION ON THE SELLER**

Mr. Tung Chuen Cheuk, aged 67, is an ex-director of both the Company and ADPDL. Mr. Tung is a graduate of Taiwan Provincial Cheng Kung University and holds a Bachelor of Arts degree. He has previously worked with the BBC in London, Reader's Digest and Ming Pao.

## **REASONS FOR THE ACQUISITION**

The Sale Shares were issued and allotted to the Seller as a result of exercise of his options granted to him under the 2007 ADPDL Share Option Scheme. It is a term of option grant that the Seller will transfer the Sale Shares to one of the wholly-owned subsidiaries of the Group upon the happening of certain events, amongst others, his ceasing to be an employee or a director of ADPDL, its subsidiaries, holding company or the subsidiaries of such holding company as the case may be. The Seller ceased to be a director of the Company on 17 March 2009.

The Directors considered that given the continuous revenue contribution of ADPDL to the Group, the Acquisition would enable the Group to reduce some minority interests in ADPDL and therefore increase its share in the results of ADPDL.

Having considered the terms of the sale and purchase of the Sale Shares and the reasons as aforesaid, the Directors, including the independent non-executive Directors, are of the view that the terms are fair and reasonable and are arrived at after arm's length negotiation and further that the Acquisition is on normal commercial terms and in the interest of the Company and its shareholders as a whole.

## **LISTING RULES REQUIREMENTS**

The Seller, being an ex-director of both the Company and ADPDL, is regarded as a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules. Since more than one of the applicable percentage ratios in respect of the Acquisition exceed

0.1% but are less than 2.5%, the Acquisition is subject to disclosure by way of an announcement and reporting requirement and is exempt from the approval by the independent shareholders of the Company pursuant to Rule 14A.32 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“Acquisition”	the acquisition by the Purchaser of 54,172 ordinary shares of HK\$0.01 each in ADPDL, representing 0.50% of the total issued share capital of ADPDL;
“ADPDL”	Apple Daily Publication Development Limited, a company incorporated in Hong Kong with limited liability, is a 92.44% indirect non-wholly owned subsidiary of the Company;
“ADPDL Share(s)”	ordinary share(s) of HK\$0.01 par value each of ADPDL;
“2007 ADPDL Share Option Scheme”	a share option scheme adopted by ADPDL and the Company on 30 July 2007 to grant to any of the full-time employees and directors of ADPDL or employees and directors of any of its subsidiaries options to subscribe for ADPDL Shares;
“Board”	Board of Directors;
“Company”	Next Media Limited is a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, being the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Purchaser”	Amazing Sino International Limited, a company incorporated in the British Virgin Islands with limited liability, is an indirect wholly-owned subsidiary of the Company;
“Sale Shares”	54,172 ADPDL Shares held by the Seller;
“Seller”	Mr. Tung Chuen Cheuk, an ex-director of both the Company and ADPDL within the preceding 12 months; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Wong Shuk Ha, Cat**  
Secretary

Hong Kong, 26 March 2009

*As at the date of this announcement, the Executive Directors of the Company are Mr. Lai Chee Ying, Jimmy, Mr. Chu Wah Hui, Mr. Ting Ka Yu, Stephen and Mr. Ip Yut Kin, the Non-executive Director of the Company is Mr. Cheung Ka Sing, Cassian and the Independent Non-executive Directors of the Company are Dr. Lee Ka Yam, Danny, Mr. Fok Kwong Hang, Terry and Mr. Wong Chi Hong, Frank.*