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## **NEXT MEDIA LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00282)**

**(1) MAJOR AND CONNECTED TRANSACTION  
IN RELATION TO SALE OF A MAJORITY STAKE IN  
ANIMATION BUSINESS AND  
(2) CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO PROVISION OF ANIMATION SERVICES,  
ADVERTISING SERVICES, SUPPORTING SERVICES  
AND LEASING**

### **SALE OF A MAJORITY STAKE IN ANIMATION BUSINESS**

On 10 June 2011, AtNext, an indirect wholly owned subsidiary of the Company, entered into the S&P Agreement with STV and Mr. Lai (as the guarantor for the obligations of STV) pursuant to which AtNext has conditionally agreed to sell and STV has conditionally agreed to purchase the Sale Shares, representing 70% of the entire issued share capital of CWH, for a Consideration of US\$100,000,000 (equivalent to approximately HK\$776,000,000).

Upon Completion, AtNext, STV, CWH and Mr. Lai (as the guarantor for the obligations of STV) will enter into the Shareholders' Agreement in respect of the affairs of, and their dealings with, the CWH Group and the operations, management and business of the CWH Group.

As STV is 100% beneficially owned by Mr. Lai, an executive Director, the Chairman and the controlling Shareholder of the Company holding 1,786,133,165 Shares as at the date of this announcement, representing approximately 74.04% of the total issued Shares, STV is an Associate of Mr. Lai and therefore a connected person of the Company. Accordingly, the S&P Agreement and the Shareholders' Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the S&P Agreement is greater than 25% but less than 75%, the S&P Agreement also constitutes a major transaction under the Listing Rules.

As Mr. Lai has a material interest in the Sale and the Shareholders' Agreement, he and his Associates will abstain from voting on the resolution to approve the Sale and the transactions contemplated thereunder.

**CONTINUING CONNECTED TRANSACTIONS IN RELATION TO PROVISION OF ANIMATION SERVICES, ADVERTISING SERVICES, SUPPORTING SERVICES AND LEASING**

After Completion, (a) the Company and NMAL will enter into the conditional Business Framework Agreement in respect of the Animation Services to be rendered by the NMAL Group to the Group and the Advertising Services and the Supporting Services to be rendered by the Group to the NMAL Group after completion of the S&P Agreement; and (b) Next TV and the Taiwan Branch of NMAL will enter into the Lease Agreement pursuant to which Next TV agreed to lease the Properties to the Taiwan Branch of NMAL from the date of signing until 31 March 2014 (both days inclusive).

After Completion, CWH will be owned as to 70% by Mr. Lai and as to 30% by the Company. As NMAL is a direct wholly owned subsidiary of CWH, NMAL will on completion of the S&P Agreement become an Associate of Mr. Lai and therefore a connected person of the Company. The Business Framework Agreement and the Lease Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the aggregated value of the Animation Services, the Advertising Services and the Supporting Services under the Business Framework Agreement, on an annual basis, is less than 5% and more than 0.1%, the Business Framework Agreement is subject to the reporting and announcement requirements, and the annual review requirements under Rule 14A.34 of the Listing Rules but is exempt from the Independent Shareholders' approval requirement.

As each of the percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the annual rental payable by the Taiwan Branch of NMAL under the Lease Agreement is less than 5% and more than 0.1%, the Lease Agreement is subject to the reporting and announcement requirements, and the annual review requirements under Rule 14A.34 of the Listing Rules but is exempt from the Independent Shareholders' approval requirement.

A circular containing, among other things, details of the Sale, the advice of Veda Capital as the independent financial adviser to the Independent Board Committee and the Independent Shareholders relating to the Sale, the recommendation of the Independent Board Committee to the Independent Shareholders relating to the Sale, and other necessary information and documents is expected to be despatched to the Shareholders on or about 4 July 2011.

## MAJOR AND CONNECTED TRANSACTION IN RELATION TO SALE OF A MAJORITY STAKE IN ANIMATION BUSINESS

On 10 June 2011, AtNext, an indirect wholly owned subsidiary of the Company, entered into the S&P Agreement with STV and Mr. Lai (as the guarantor for the obligations of STV) pursuant to which AtNext has conditionally agreed to sell and STV has conditionally agreed to purchase the Sale Shares. A summary of the principal terms of the S&P Agreement is set out below.

Date	10 June 2011
Parties	(1) AtNext (as vendor) (2) STV (as purchaser) (3) Mr. Lai (as guarantor for the obligations of STV)
Asset to be disposed of	The Sale Shares, being 70 shares of US\$1.00 each in the capital of CWH, representing 70% of the entire issued share capital of CWH.
Consideration	<p>The Consideration is US\$100,000,000 (equivalent to approximately HK\$776,000,000).</p> <p>The Consideration was determined on an arm's length basis with reference to a valuation of the CWH Group in the amount of US\$78,000,000 (equivalent to HK\$605,280,000) as at 30 April 2011 conducted by an independent valuer using market approach.</p>
Conditions precedent	<p>Completion of the S&amp;P Agreement is conditional upon:</p> <ol style="list-style-type: none"><li>(1) the passing by the Shareholders who are permitted to vote under the Listing Rules of a resolution to approve the S&amp;P Agreement and the transactions contemplated thereby at a general meeting of the Company in accordance with the Listing Rules;</li><li>(2) the representations, warranties and undertakings made by AtNext under the S&amp;P Agreement remaining true and accurate as at the date of Completion;</li><li>(3) STV being satisfied that, from the date of the S&amp;P Agreement to Completion, there has not been any material adverse change in the business, assets and liabilities, financial condition or results of operation of CWH Group.</li></ol>

If the abovementioned conditions precedent are not fulfilled or waived (except for the Shareholders' approval requirement which cannot be waived) by STV by the Long Stop Date, the S&P Agreement shall lapse and no party to the S&P Agreement shall have any claim against the other parties save for any antecedent breaches of the S&P Agreement.

Completion	Completion will take place on the thirty-fifth business day (or such other date as the parties to the S&P Agreement may agree) after satisfaction or waiver by STV of the abovementioned conditions precedent.
Undertaking	<p>Subject to Completion, STV undertakes to AtNext that without the prior written consent of AtNext, STV will not at any time during the period commencing on the date of Completion and ending on, and including, the date that is 12 months after the date of Completion:</p> <p>(a) offer, sell, contract to sell, encumber or otherwise transfer or dispose of directly or indirectly the shares of CWH or any interest therein or enter into any swap or other arrangement that transfers to another any of the economic consequences of the shares of CWH or any interest therein, to any person; or</p> <p>(b) hold less than 50% of the total issued shares of CWH.</p>
Guarantee	Mr. Lai shall guarantee the due and punctual performance of the obligations of STV under the S&P Agreement.

## **SHAREHOLDERS' AGREEMENT**

Upon Completion, AtNext, STV, CWH and Mr. Lai (as the guarantor for the obligations of STV) will enter into the Shareholders' Agreement in respect of the affairs of, and their dealings with, the CWH Group and the operations, management and business of the CWH Group. The principal terms of the Shareholders' Agreement are set out below:

Board of directors	<p>The board of CWH shall consist of three (3) directors, of which one (1) director shall be nominated by AtNext and two (2) directors shall be nominated by STV. The chairman of the board of CWH shall be designated by STV.</p> <p>AtNext and STV shall be entitled to nominate one (1) director and two (2) directors respectively to the board of NMAL, NMAI and Key Matrix, being the subsidiaries of CWH.</p>
Anti-dilution protection	If CWH intends to issue or grant any new shares, options or other securities of any nature (together "New Securities"), such New Securities shall first be offered to the existing shareholders of CWH in accordance with their respective pro rata shares in CWH.
Pre-emptive right	A shareholder of CWH shall not, without having obtained the prior written consent of the other shareholders of CWH, offer, sell, contract to sell, encumber or otherwise transfer or dispose of directly or indirectly the shares of CWH or any interest therein or enter into any swap or other arrangement that transfers to another any of the economic consequences of the shares of CWH or any interest therein.

Right of first refusal	If a shareholder of CWH intends to sell all or part of its shares in CWH to a third party, all other shareholders are entitled to a right of first refusal to purchase all (but not some only) of the shares in and the relevant shareholder's loan (if any) attributable to such shares which the transferring shareholder intends to dispose of on the terms and conditions not more favourable to a third party purchaser.
Co-sale right	If a transferring shareholder sells all or part of its shares to a third party purchaser, the remaining shareholder is entitled to participate in such sale for a proportion of all the shares held by such remaining shareholder and the corresponding proportion of the shareholder's loan (if any) held by such remaining shareholder on the same terms and conditions as specified in the transfer notice given by the transferring shareholder to the other shareholders of CWH.
Compliance with the Listing Rules	The exercise of various rights (including the pre-emptive right, the right of first refusal and the co-sale right) by any of the shareholders of CWH under the Shareholders' Agreement is subject to compliance with the Listing Rules if required.
Reserved matters	Certain actions (including material change in the scope of business of the CWH Group and variation of the share capital of any member of the CWH Group) shall not be taken without approval by each of AtNext and STV in a general meeting or at least a director nominated by AtNext and a director nominated by STV.
Financing	<p>Shareholders of CWH are not obliged to provide any additional finance or financial assistance to any member of the CWH Group or to subscribe for any securities in CWH or to make any loans to or transfer any assets to any member of the CWH Group or to guarantee or provide security for any obligations of any member of the CWH Group or to indemnify any third party in respect of such obligations.</p> <p>In the event that CWH requires additional finance, subject to the approval of the board of directors of CWH, each shareholder of CWH agrees to provide financing by way of shareholder's loan provided that:</p> <ul style="list-style-type: none"> <li>(a) it will not be required to make any advance in excess of its pro rata shares of the total amount required by the board of directors of CWH to be advanced; and</li> <li>(b) the terms of such shareholder's loan shall be on normal commercial terms or better to AtNext or if another subsidiary of the Company to that subsidiary.</li> </ul>

Guarantee	Mr. Lai shall guarantee the due and punctual performance of the obligations of STV under the Shareholders' Agreement.
Termination	<p>The Shareholders' Agreement shall terminate:</p> <ul style="list-style-type: none"> <li>(a) immediately by mutual agreement in writing of all the shareholders of CWH; or</li> <li>(b) immediately if an effective resolution is passed to wind up CWH or if a liquidator is otherwise appointed; or</li> <li>(c) in respect of a defaulting shareholder only, if a non-defaulting shareholder serves a written notice on the defaulting shareholder upon an event of default as stipulated in the Shareholders' Agreement; or</li> <li>(d) immediately if any shareholder of CWH ceases to hold any shares in CWH.</li> </ul>

## **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO PROVISION OF ANIMATION SERVICES, ADVERTISING SERVICES, SUPPORTING SERVICES AND LEASING**

### **Provision of Animation Services, Advertising Services and Supporting Services**

After Completion, the Company and NMAL will enter into the conditional Business Framework Agreement in respect of the Animation Services to be rendered by the NMAL Group to the Group and the Advertising Services and the Supporting Services to be rendered by the Group to the NMAL Group after completion of the S&P Agreement.

The principal terms of the Business Framework Agreement are set out below:

Parties	<ul style="list-style-type: none"> <li>(1) the Company; and</li> <li>(2) NMAL</li> </ul>
Services	(1) The NMAL Group may from time to time provide the Animation Services to the Group on cost basis and at least 20% discount will be provided and in any event, on normal commercial terms or on terms no less favourable to the Group than those offered to the Group from independent third parties, and subject to the annual caps set out below.



Term	The Lease Agreement will take effect from signing and will continue thereafter until 31 March 2014 (both days inclusive).
Rental	NT\$669,500 (before tax) per month (equivalent to approximately HK\$181,400), which shall be payable on the first day of each month in advance.
Deposit	The Taiwan Branch of NMAL is required to pay a deposit of NT\$2,008,500 (before tax) (equivalent to approximately HK\$544,300) as guarantee of its performance of obligations under the Lease Agreement. Such deposit will be refunded to the Taiwan Branch of NMAL without interest upon expiry of the Lease Agreement.

## ANNUAL CAPS

### Provision of Animation Services, Advertising Services and Supporting Services

The table below sets out the annual caps of each of the Animation Services to be rendered by the NMAL Group to the Group, the Advertising Services and the Supporting Services to be rendered by the Group to the NMAL Group under the Business Framework Agreement for each of the periods as set out in the Business Framework Agreement:

Period	Annual Cap in respect of the Animation Services	Annual Cap in respect of the Advertising Services	Annual Cap in respect of the Supporting Services
From the date when the Business Framework Agreement takes effect to 31 March 2012	HK\$70,000,000	HK\$5,000,000	HK\$1,000,000
From 1 April 2012 to 31 March 2013	HK\$73,500,000	HK\$5,250,000	HK\$1,100,000
From 1 April 2013 to 31 March 2014	HK\$77,000,000	HK\$5,500,000	HK\$1,200,000

The annual caps for each of the periods as set out in the Business Framework Agreement are determined by reference to (a) the historical transaction amount in respect of the provision of animation production services by the NMAL Group and advertising services and supporting services by the Group; and (b) the expected annual growth rate of approximately 5% in respect of the provision of the Animation Services and the Advertising Services and the expected annual growth rate of approximately 10% in respect of the provision of the Supporting Services.

## Leasing

The table below sets out the maximum cap for the annual rental payable by the Taiwan Branch of NMAL for each of the periods as set out in the Lease Agreement:

<b>Period</b>	<b>Annual Cap in respect of the Lease Agreement</b>
From the date when the Lease Agreement takes effect to 31 March 2012	NT\$5,356,000 (equivalent to HK\$1,451,500)
From 1 April 2012 to 31 March 2013	NT\$8,034,000 (equivalent to HK\$2,177,200)
From 1 April 2013 to 31 March 2014	NT\$8,034,000 (equivalent to HK\$2,177,200)

The annual caps for each of the aforesaid periods are determined by reference to the monthly rental payable by the Taiwan Branch of NMAL under the Lease Agreement.

## INFORMATION ON THE CWH GROUP

CWH is a company incorporated in the British Virgin Islands with limited liability and it is an investment holding company. Its subsidiaries, NMAL, NMAI and Key Matrix, are principally engaged in animation production and the provision of the animation products and related services.

The unaudited net book value of CWH Group as at 30 April 2011 was net liabilities of HK\$133.7 million. The audited net loss before taxation attributed to the CWH Group for the year ended 31 March 2009, 2010 and 2011 were HK\$38.8 million, HK\$49.3 million and HK\$29.3 million respectively. The audited net loss after taxation attributed to the CWH Group for the year ended 31 March 2009, 2010 and 2011 were HK\$38.8 million, HK\$49.3 million and HK\$29.3 million respectively.

After Completion, AtNext will hold 30% of the entire issued share capital of CWH. CWH will cease to be a subsidiary of the Company and the results of the CWH Group will be equity accounted for instead of consolidated into the Group's financial statements.

## USE OF PROCEEDS AND FINANCIAL EFFECT OF THE SALE

The Group intends to use the sale proceeds of the Sale for general working capital purposes.

The Group is expected to record an unaudited gain of approximately HK\$729.5 million, which was calculated with reference to the Consideration and the unaudited net liabilities of the Sale Shares of approximately HK\$93.6 million in the accounts of the Group as at 30 April 2011. Such gain will be recognised in the consolidated financial statements of the Company for the year ending 31 March 2012.

## **REASONS FOR, AND BENEFITS OF, THE SALE, THE BUSINESS FRAMEWORK AGREEMENT AND THE LEASE AGREEMENT**

### **Sale**

AtNext is an investment holding company and an indirect wholly owned subsidiary of the Company. The Group is mainly engaged in the publication of newspapers, books and magazines for retail and subscription sales; the provision of printing and reprographic services; the provision of internet content; the production and broadcasting of television programmes; the sale of advertising space in newspapers and magazines and on websites; and the sale of advertising time in its television operation. The principal business activity of STV is investment holding.

CWH, NMAL, NMAI and Key Matrix are wholly owned subsidiaries of the Group which are established for the purpose of principally engaging in animation production. The animation production business is capital intensive. The Group has made substantial investment in manpower and technology for its animation operations. As a result of these investments, the internet businesses division of the Group recorded a segment loss which has grown from HK\$62.2 million for the year ended 31 March 2009 to HK\$73.4 million for the year ended 31 March 2010, although it was slightly reduced to HK\$49.7 million for the year ended 31 March 2011. The Sale will enable the Group to reduce its loss and the proceeds of the Sale will improve the cash position of the Group. It also allows the Group to share the return on investment (if any) in future by retaining 30% attributable interest in the CWH Group and to create a synergy with STV in the development of animation production business. The entering into of the Shareholders' Agreement will help to protect the Group's interest in the CWH Group as a minority shareholder. The Directors (excluding the independent non-executive Directors, whose views are subject to the advice of the independent financial adviser) is of the view that the S&P Agreement and the Shareholders' Agreement are entered into on normal commercial terms (or better to the Company), and that the terms of the S&P Agreement and the Shareholders' Agreement are fair and reasonable and the S&P Agreement and the Shareholders' Agreement are in the interests of the Company and the Shareholders as a whole.

### **Business Framework Agreement**

After Completion, NMAL will cease to be a subsidiary of the Group. As the animation services currently provided by NMAL help to attract consumers and advertisers of the printed and internet news operations of the Group, the entering into of the Business Framework Agreement will enable the Group to retain NMAL as a provider of animation production services. On the other hand, the offering of Advertising Services to NMAL pursuant to the Business Framework Agreement will help to increase the Group's advertising revenue. NMAL and the Group have been sharing supporting and general administrative services prior to entering into of the S&P Agreement. The provision of the Supporting Services by the Group to the NMAL Group pursuant to the Business Framework Agreement will help to maximise cost efficiency and effectiveness.

The Animation Services to be provided by the NMAL Group to the Group and the Advertising Services and the Supporting Services to be provided by the Group to the NMAL Group under the Business Framework Agreement will be conducted on arm's length basis and on normal commercial terms. The Board (including the independent non-executive Directors) is of the view that the Business Framework Agreement is on normal commercial terms (or better to the Company) in the ordinary and usual course of business of the Group, and that the terms of the Business Framework Agreement including the annual caps of each of the

Animation Services, the Advertising Services and the Supporting Services are fair and reasonable, the cost allocation of the Supporting Services is fair and reasonable and the Business Framework Agreement is in the interests of the Company and the Shareholders as a whole.

### **Lease Agreement**

The Properties have been occupied by the Taiwan Branch of NMAL for its animation production business. The design of the Properties is accommodated to the needs of fixing the equipment for the operational needs of the Taiwan Branch of NMAL in relation to animation production. The Lease Agreement will generate an additional source of rental income to the Group. The rentals under the Lease Agreement are determined after arm's length negotiations with reference to the prevailing market rates of comparable premises in Neihu, Taipei City, the Board (including the independent non-executive Directors) is of the view that the Lease Agreement is entered into on normal commercial terms in the ordinary and usual course of business of the Group, and that the terms of the Lease Agreement including the annual caps are fair and reasonable and the Lease Agreement are in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As STV is 100% beneficially owned by Mr. Lai, an executive Director, the Chairman and the controlling Shareholder of the Company holding 1,786,133,165 Shares as at the date of this announcement, representing approximately 74.04% of the total issued Shares, STV is an Associate of Mr. Lai and therefore a connected person of the Company. Accordingly, the S&P Agreement and the Shareholders' Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the S&P Agreement is greater than 25% but less than 75%, the S&P Agreement also constitutes a major transaction under the Listing Rules.

After Completion, CWH will be owned as to 70% by Mr. Lai and as to 30% by the Company. As NMAL is a direct wholly owned subsidiary of CWH, NMAL will on completion of the S&P Agreement become an Associate of Mr. Lai and therefore a connected person of the Company. The Business Framework Agreement and the Lease Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Mr. Lai, who has a material interest in the continuing connected transactions, abstained from voting on the board resolutions which approved the terms of the Business Framework Agreement and the Lease Agreement, the transactions contemplated thereunder, the annual caps for each of the Animation Services, the Advertising Services and the Supporting Services under the Business Framework Agreement and the annual caps for the rental payable by the Taiwan Branch of NMAL under the Lease Agreement.

As each of the percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the aggregated value of the Animation Services, the Advertising Services and the Supporting Services under the Business Framework Agreement, on an annual basis, is less than 5% and more than 0.1%, the Business Framework Agreement is subject to the reporting and announcement requirements, and the annual review requirements under Rule 14A.34 of the Listing Rules but is exempt from the Independent Shareholders' approval requirement.

As each of the percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the annual rental payable by the Taiwan Branch of NMAL under the Lease Agreement is less than 5% and more than 0.1%, the Lease Agreement is subject to the reporting and announcement requirements, and the annual review requirements under Rule 14A.34 of the Listing Rules but is exempt from the Independent Shareholders' approval requirement.

## **EGM**

The EGM will be convened for the purposes of allowing the Independent Shareholders to consider and, if thought fit, approve the Sale and the transactions contemplated thereunder. As required under the Listing Rules, votes at the EGM shall be taken by way of a poll.

As Mr. Lai has a material interest in the Sale, he and his Associates will abstain from voting on the resolution to approve the Sale and the transactions contemplated thereunder.

## **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee has been formed to consider the Sale and to advise the Independent Shareholders on whether the terms of the Sale are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders how to vote at the EGM.

## **INDEPENDENT FINANCIAL ADVISER**

Veda Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Sale are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders how to vote at the EGM.

## **CIRCULAR**

A circular containing, among other things, details of the Sale, the advice of Veda Capital to the Independent Board Committee and the Independent Shareholders relating to the Sale, the recommendation of the Independent Board Committee to the Independent Shareholders relating to the Sale, and other necessary information and documents is expected to be despatched to the Shareholders on or about 4 July 2011.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

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|------------------------|--|
| “Advertising Services” | the advertising related services which may from time to time be provided by the Group to the NMAL Group pursuant to the Business Framework Agreement;          |
| “Animation Services”   | the animation production related services which may from time to time be provided by the NMAL Group to the Group pursuant to the Business Framework Agreement; |
| “Associate(s)”         | the meaning ascribed thereto under the Listing Rules;  |

“AtNext”	AtNext Limited, a private company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company;
“Board”	the board of directors of the Company;
“Business Framework Agreement”	the business framework agreement to be entered into between the Company and NMAL after Completion in respect of the provision of Animation Services, Advertising Services and Supporting Services;
“Chairman”	the chairman of the Board;
“Company”	Next Media Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange;
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the S&P Agreement;
“Consideration”	US\$100,000,000 (equivalent to approximately HK\$776,000,000);
“CWH”	Colored World Holdings Limited, a private company incorporated in the British Virgin Islands with limited liability;
“CWH Group”	CWH, NMAL, NMAI and Key Matrix;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting to be held by the Company for the purpose of approving the Sale;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Independent Board Committee”	the independent board committee which has been formed by the independent non-executive Directors to advise the Independent Shareholders on the Sale;
“Independent Shareholders”	Shareholders other than Mr. Lai and his Associates;
“Key Matrix”	Key Matrix Limited 祈金有限公司, a private company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of CWH;
“Lease Agreement”	the lease agreement to be entered into between Next TV as the landlord and the Taiwan Branch of NMAL as the tenant after Completion in respect of the Properties;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	30 September 2011, or such other date as AtNext and STV may agree in writing;

“Mr. Lai”	Mr. Lai Chee Ying, Jimmy, an executive Director, the Chairman and the controlling Shareholder of the Company holding 1,786,133,165 Shares as at the date of this announcement, representing approximately 74.04% of the total issued Shares;
“Next TV”	Next TV Broadcasting Limited, a private company incorporated in Taiwan with limited liability and an indirect wholly owned subsidiary of the Company;
“NMAI”	Next Media Animation, Inc, a corporation incorporated in Delaware and a direct wholly owned subsidiary of NMAL;
“NMAL”	Next Media Animation Limited 壹傳媒動畫有限公司, a private company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of CWH;
“NMAL Group”	NMAL and its subsidiaries from time to time;
“NT\$”	New Taiwan Dollars, the lawful currency of Taiwan;
“Properties”	the properties with a total floor area of approximately 2,213 square meters located at 2/F., 3/F. and 9/F., No.39, Lane 141, Xingai Road, Neihu, Taipei City, Taiwan (台灣台北市內湖行愛路141巷39號2樓、3樓及9樓);
“S&P Agreement”	the sale and purchase agreement dated 10 June 2011 entered into between AtNext as the vendor, STV as the purchaser and Mr. Lai as the guarantor for the obligations of STV in respect of the Sale;
“Sale”	the sale of the Sale Shares pursuant to the S&P Agreement;
“Sale Shares”	70 shares of US\$1.00 each in the capital of CWH, representing 70% of the entire issued share capital of CWH;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Shareholders’ Agreement”	shareholders’ agreement to be entered into between AtNext, STV, CWH and Mr. Lai as the guarantor for the obligations of STV on Completion;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“STV”	Sum Tat Ventures Limited, a private company incorporated in the British Virgin Islands with limited liability and 100% beneficially owned by Mr. Lai, who is an executive Director, the Chairman and the controlling Shareholder of the Company;
“Supporting Services”	the accounting, company secretarial, legal, human resources and general administrative services which may from time to time be provided by the Group to the NMAL Group pursuant to the Business Framework Agreement;

“Taiwan”	Republic of China;
“US\$”	United States Dollars, the lawful currency of the United States of America; and
“Veda Capital”	Veda Capital Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Sale.

*In this announcement, the exchange rates of HK\$1.00 to US\$7.76 and HK\$1.00 to NT\$3.69 are used for reference only.*

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

Hong Kong, 10 June 2011

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