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NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

CONNECTED TRANSACTION ACQUISITION OF ASSETS

On 15 August 2013, nxTomo Games, an indirect wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with NMA, pursuant to which, nxTomo Games has agreed to purchase and NMA has agreed to sell the Assets at the Consideration.

As NMA is 70% beneficially owned by Mr. Lai, an executive Director, the Chairman and the controlling Shareholder of the Company holding 1,786,533,165 Shares as at the date of this announcement, representing approximately 73.49% of the total issued share capital of the Company, NMA is an associate of Mr. Lai and therefore a connected person of the Company. Accordingly, the entering into of the Sale and Purchase Agreement constitutes a connected transaction of the Company under the Listing Rules. The remaining 30% of the issued share capital of NMA is held indirectly by the Company. As one of the applicable percentage ratios (other than the profit ratio) calculated in accordance with the Listing Rules in respect of the Sale and Purchase Agreement is less than 5% but more than 0.1%, the entering into of the Sale and Purchase Agreement is only subject to the reporting and announcement requirements and is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 15 August 2013, nxTomo Games, an indirect wholly owned subsidiary of the Company entered into the Sale and Purchase Agreement with NMA, pursuant to which, nxTomo Games has agreed to purchase and NMA has agreed to sell the Assets at the Consideration.

SALE AND PURCHASE AGREEMENT

Date

15 August 2013

Parties

- (i) Purchaser: nxTomo Games; and
- (ii) Vendor: NMA

Consideration

The Consideration equals to the unaudited net book value of the Assets as at 31 July 2013. As at 31 July 2013, the unaudited net book value of the Assets amounted to HK\$3,166,171 and NT\$936,905 (equivalent to HK\$242,408), in aggregate, equivalent to a total of HK\$3,408,579. The original purchase costs of the Assets were HK\$4,072,840 and NT\$1,483,839 (equivalent to HK\$383,917), in aggregate, equivalent to a total of HK\$4,456,757.

The Consideration was determined after arm's length negotiation between nxTomo Games and NMA by reference to the unaudited net book value of the Assets as at 31 July 2013, depreciation of the Assets, current conditions of the Assets and current market value of assets of similar capability.

The Consideration in a total amount of HK\$3,408,579, being the aggregate of the Hong Kong Consideration and Taiwan Consideration, shall be payable by nxTomo Games to NMA in cash upon Completion.

Completion

Pursuant to the Sale and Purchase Agreement, completion of the Acquisition is expected to take place on 16 August 2013 (or such other date as the parties mutually agree in writing).

INFORMATION OF THE PARTIES

The Group is mainly engaged in the publication and printing of newspapers, magazines and books in Hong Kong and Taiwan. It also sells advertising space in these and on its Web portals and subscriptions to the Web portals. Furthermore, it provides printing, reprographic and animation services, delivers Internet contents.

NMA is principally engaged in animation production and other related services. The issued share capital of NMA is held as to 70% by Mr. Lai beneficially and 30% by the Company indirectly.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The Group believes that the distribution of mobile games through its nxTomo brand will create synergies in the marketing of its expanding portfolio of mobile contents. The purchase of the Assets from NMA will enable nxTomo Games to have full control on its mobile games operations and to be in a position to benefit fully the potential income from this business.

The Directors (including the independent non-executive Directors) considered that the terms of the Acquisition have been reached after arm's length negotiation and on normal commercial terms and that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As NMA is 70% beneficially owned by Mr. Lai, an executive Director, the Chairman and the controlling Shareholder of the Company holding 1,786,533,165 Shares as at the date of this announcement, representing approximately 73.49% of the total issued share capital of the Company, NMA is an associate of Mr. Lai and therefore a connected person of the Company. Accordingly, the entering into of the Sale and Purchase Agreement constitutes a connected transaction of the Company under the Listing Rules. The remaining 30% of the issued share capital of NMA is held indirectly by the Company. As one of the applicable percentage ratios (other than profit ratio) calculated in accordance with the Listing Rules in respect of the Sale and Purchase Agreement is less than 5% but more than 0.1%, the entering into of the Sale and Purchase Agreement is only subject to the reporting and announcement requirements and is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Lai, who has a material interest in this connected transaction, has abstained from voting on the relevant Board resolutions which approved the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. Mr. Cheung Ka Sing, Cassian and Mr. Ting Ka Yu, Stephen are Directors of the Company and also directors of nxTomo Games and NMA respectively, they are regarded as having interests in this connected transaction and have abstained from voting on the relevant Board resolutions as well. Save as disclosed above, none of the Directors have material interests in the Acquisition, nor are they required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

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

“associate(s)”	the meaning ascribed thereto under the Listing Rules
“Acquisition”	the acquisition of the Assets by nxTomo Games from NMA pursuant to the Sale and Purchase Agreement
“Assets”	the assets in relation to mobile games operations to be acquired by nxTomo Games from NMA pursuant to the Sale and Purchase Agreement
“Board”	the board of directors of the Company
“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 Assets pursuant to the Sale and Purchase Agreement
“Consideration”	HK\$3,408,579 which shall include Hong Kong Consideration and Taiwan Consideration
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Consideration”	HK\$3,166,171, being the consideration for the acquisition of certain Assets located in Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lai”	Mr. Lai Chee Ying, Jimmy, an executive Director, the Chairman and the controlling Shareholder of the Company holding 1,786,533,165 Shares as at the date of this announcement, representing approximately 73.49% of the total issued share capital of the Company
“NMA”	Next Media Animation Limited, a company incorporated under the laws of Hong Kong with limited liability and 70% beneficially owned by Mr. Lai and 30% indirectly owned by the Company
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan;
“nxTomo Games”	nxTomo Games Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“Sale and Purchase Agreement”	the agreement for the sale and purchase of the Assets dated 15 August 2013 entered into between nxTomo Games and NMA
“Share(s)”	the 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 the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan”	Republic of China

“Taiwan Consideration” NT\$936,905 (equivalent to HK\$242,408), being the consideration for the acquisition of certain Assets located in Taiwan

“%” per cent

By order of the Board
Cheung Ka Sing, Cassian
*Executive Director and
Chief Executive Officer*

Hong Kong, 15 August 2013

For the purpose of this announcement, the exchange rate of HK\$1.00 = NT\$3.865 has been used for currency conversion.

As at the date of this announcement, the Board comprises:-

Executive Directors:

Mr. Lai Chee Ying, Jimmy (Chairman)
Mr. Cheung Ka Sing, Cassian
Mr. Ting Ka Yu, Stephen
Mr. Ip Yut Kin

Independent Non-executive Directors:

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