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NEXT DIGITAL
NEXT DIGITAL LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00282)

**VOLUNTARY ANNOUNCEMENT
UPDATE ON LITIGATION**

Reference is made to the disclosure in relation to the litigation as mentioned below made by Next Digital Limited (the “Company” and together with its subsidiaries, the “Group”) in its interim report for the six months ended 30 September 2015 (the “2015/16 Interim Report”) dated 16 November 2015.

As disclosed in the 2015/16 Interim Report, in July 2010, BaWang International (Group) Holding Limited (as 1st Plaintiff) and BaWang (Guangzhou) Company Limited (as 2nd Plaintiff) (collectively referred to as the “Plaintiffs”) issued a writ against Next Magazine Publishing Limited (“Next Magazine”) in respect of an article published by Next Magazine alleging, amongst other things, that certain parts of such article were defamatory and/or amounted to a malicious falsehood. Trial commenced on 2 March 2015 and concluded on 29 August 2015.

The Company has received a judgment (the “Judgment”) handed down by the High Court of Hong Kong (the “Court”) on 23 May 2016. The Court has found in favour of the Plaintiffs on certain grounds but has dismissed the Plaintiffs’ claim in malicious falsehood and in conclusion has ordered, among other matters, Next Magazine to pay a total of approximately HK\$3 million in damages and 80% of the Plaintiffs’ legal costs.

The board of directors of the Company (the “Board”), upon receipt of further legal advice, will consider filing an appeal to the Court in respect of liability and/or quantum of damages and will issue further announcement as and when appropriate.

The Board, having taking into account the amount of damages being ordered to pay, considers that the Judgment will not have any material adverse impact on the Group’s ordinary operations and financial position.

By Order of the Board
Cheung Ka Sing, Cassian
*Interim Chairman and
Chief Executive Officer*

Hong Kong, 23 May 2016

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

Executive Directors:

Mr. Cheung Ka Sing, Cassian
(Interim Chairman)
Mr. Ip Yut Kin
Mr. Chow Tat Kuen, Royston

Independent Non-executive Directors:

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