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## **NEXT MEDIA LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00282)**

### **CONTINUING CONNECTED TRANSACTION**

On 31 July 2013, NMBL, an indirect wholly owned subsidiary of the Company, entered into the Lease Agreement with the Taiwan Branch of NMA, pursuant to which NMBL agreed to lease the properties to the Taiwan Branch of NMA for a term of 32 months from 1 August 2013 to 31 March 2016 (both days inclusive).

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 Lease Agreement constitutes a continuing connected transaction for the Company under the Listing Rules. The remaining 30% of the issued share capital of NMA is held indirectly by the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the rental payable under the Lease Agreement on an annual basis 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 pursuant to Chapter 14A of the Listing Rules.

### **LEASE AGREEMENT**

On 31 July 2013, NMBL, an indirect wholly owned subsidiary of the Company, entered into the Lease Agreement with the Taiwan Branch of NMA, in respect of the properties as detailed below.

The principal terms of the Lease Agreement are set out below:

<b>Date</b>	31 July 2013
<b>Parties</b>	(1) NMBL (as landlord); and (2) Taiwan Branch of NMA (as tenant)
<b>Properties</b>	The properties located at 3/F., 4/F., 5/F., 6/F., 8/F. and 9/F., No. 39, Lane 141, Xingai Road, Neihu District, Taipei City, Taiwan (台灣台北市內湖區)

行愛路141巷39號3樓、4樓、5樓、6樓、8樓及9樓)

<b>Term</b>	The Lease Agreement shall be for a term of 32 months from 1 August 2013 to 31 March 2016 (both days inclusive)
<b>Rental</b>	NT\$1,613,728 per month (inclusive of tax) (equivalent to HK\$417,523), which shall be payable on the first day of each month in advance
<b>Deposit</b>	The Taiwan Branch of NMA is required to pay a deposit of NT\$4,841,184 (inclusive of tax) (equivalent to HK\$1,252,570) as guarantee of its performance of obligations under the Lease Agreement. Such deposit will be refunded to the Taiwan Branch of NMA without interest upon expiry of the Lease Agreement

## **ANNUAL CAPS**

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

<b>Period</b>	<b>Annual Cap</b>
From 1 August 2013 to 31 March 2014	NT\$12,909,824 (equivalent to HK\$3,340,187)
From 1 April 2014 to 31 March 2015	NT\$19,364,736 (equivalent to HK\$5,010,281)
From 1 April 2015 to 31 March 2016	NT\$19,364,736 (equivalent to HK\$5,010,281)

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

## **REASONS FOR, AND BENEFITS OF, THE LEASE AGREEMENT**

NMA is principally engaged in animation production and other related services and has currently expanded its operations in Taiwan, it is necessary to locate suitable premises in Taiwan for its uses of offices and production centres. The design of the properties is accommodated to the technical operational needs of the Taiwan Branch of NMA in relation to animation production. The rental under the Lease Agreement are determined after arm's length negotiations with reference to the prevailing market rates of comparable premises in Neihu District, 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 is in the interests of the Company 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 Lease Agreement constitutes a continuing connected transaction for the Company under the Listing Rules. The remaining 30% of the issued share capital of NMA is held indirectly by the Company. Mr. Lai, who has a material interest in this continuing connected transaction, abstained from voting on the Board resolutions which approved the terms of the Lease Agreement, the transactions contemplated thereunder and the annual caps for the rental payable by the Taiwan Branch of NMA under the Lease Agreement. Mr. Cheung Ka Sing, Cassian and Mr. Ting Ka Yu, Stephen are Directors of the Company and also directors of NMBL and NMA respectively, they are regarded as having interests in this continuing 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 this continuing connected transaction, nor are they required to abstain from voting on the relevant Board resolutions.

As one or more of the applicable percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the rental payable under the Lease Agreement on an annual basis 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 pursuant to Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the terms below have the meanings set aside them.

“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Lease Agreement”	The lease agreement dated 31 July 2013 entered into between NMBL, as landlord, and the Taiwan Branch of NMA, as tenant, in respect of the properties located at 3/F., 4/F., 5/F., 6/F., 8/F. and 9/F., No. 39, Lane 141, Xingai Road, Neihu District, Taipei City, Taiwan (台灣台北市內湖區行愛路 141 巷 39 號 3 樓、4 樓、5 樓、6 樓、8 樓及 9 樓)
“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 a 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 private company incorporated in Hong Kong with limited liability which is 70% beneficially owned by Mr. Lai and 30% indirectly owned by the Company
“NMBL”	壹傳媒傳訊播放股份有限公司 (Next Media Broadcasting Limited*), a private company incorporated in Taiwan with limited liability and is an indirect wholly owned subsidiary of the Company
“NT\$”	new Taiwan dollars, the lawful currency of Taiwan
“Shares”	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 Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan”	Republic of China
“%”	per cent

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

Hong Kong, 31 July 2013

*In this announcement, the exchange rate of HK\$1.00 = NT\$3.865 is for reference only.*

*\* English name of entity is translated for identification purpose only.*

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