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

**CONNECTED TRANSACTION
IN RELATION TO
THE ACQUISITION OF SALE SHARES IN A SUBSIDIARY**

The Board of the Company announced that on 15 January 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, purchased and the Seller sold 108,344 Shares, representing 1.0% of the total issued shares of ADPDL for a consideration of HK\$4,420,435.

The Seller, being a former director of both the Company and ADPDL, is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the Acquisition exceed 0.1% but fall below 5.0%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the approval by independent shareholders of the Company pursuant to Chapter 14A of the Listing Rules.

THE ACQUISITION

The Board of the Company announced that on 15 January 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, purchased and the Seller sold 108,344 Shares, representing 1.0% of the total issued shares of ADPDL for a consideration of HK\$4,420,435.

DETAILS OF THE ACQUISITION

Date	15 January 2016
Purchaser	Amazing Sino International Limited, an indirect wholly-owned subsidiary of the Company and a shareholder of ADPDL holding 95.3% of the total issued Shares of ADPDL as at the date hereof.
Seller	Mr. Ting Ka Yu, Stephen, a former director of both the Company and ADPDL within the preceding 12 months from the date of this announcement and the holder of the Sales Shares, representing 1.0% of the total issued Shares of ADPDL.

Asset acquired	The Sale Shares, representing 1.0% of the total issued Shares of ADPDL. The original subscription price paid by the Seller for the Sale Shares was HK\$1,083.44 in aggregate.
Consideration	The consideration is HK\$4,420,435, which was determined 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 financial statements of ADPDL for the year ended 31 March 2015.
Payment Terms	The consideration will be payable once stamping of the relevant instrument of transfer and bought and sold notes in respect of the Sale Shares is completed and will be satisfied by 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 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 and now has a total of 10,834,250 Shares in issue. Prior to the completion of the Acquisition, the Company has an indirect interest of 95.3% in the total issued Shares of ADPDL with remaining of 4.7% (including the 1.0% 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 on 10 September 2007 and 25 September 2008 respectively. After the completion of the Acquisition, the Company will have an indirect interest of 96.3% in the total issued Shares of ADPDL and the Seller will cease to have any shareholding interest in ADPDL.

Based on the audited financial statements of ADPDL for the years ended 31 March 2014 and 2015, the net assets of ADPDL as at 31 March 2014 and 2015 were HK\$420,777,829 and HK\$479,152,592 respectively, of which HK\$4,791,526 was attributable to the 108,344 Shares held by the Seller as at 31 March 2015. ADPDL's audited net profit (before tax) for the years ended 31 March 2014 and 2015 were HK\$170,044,043 and HK\$100,238,744 respectively, of which HK\$1,700,440 and HK\$1,002,387 were attributable to the Sale Shares; whereas the audited net profit (after tax) for the years ended 31 March 2014 and 2015 were HK\$133,770,107 and HK\$88,448,303 respectively, of which HK\$1,337,701 and HK\$884,483 were attributable to the Sale Shares.

INFORMATION ON THE GROUP

The Group's main business activities are publication in newspapers, magazines and books in Hong Kong and Taiwan in digital and printed forms. It also sells advertising space in those forms and receives subscriptions on the web versions. Furthermore, it provides printing and reprographic services and develops mobile and online games and apps.

INFORMATION OF THE SELLER

Mr. Ting Ka Yu, Stephen, a former director of both the Company and ADPDL. He has resigned as an executive Director of the Company, Chief Operating Officer and Chief Financial Officer of the Group with effect from 1 January 2016.

REASONS FOR THE ACQUISITION

The Sale Shares were issued and allotted to the Seller as a result of exercise of the options granted to him under the 2007 ADPDL Share Option Scheme. It is a term of options granted 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 has resigned as a director of both the Company and ADPDL, all with effect from 1 January 2016.

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 determined after arm's length negotiation and further that the Acquisition is on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES REQUIREMENTS

The Seller, being a former director of both the Company and ADPDL, is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the Acquisition exceed 0.1% but fall below 5.0%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the connected transaction.

DEFINITIONS

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

“Acquisition”	the acquisition by the Purchaser of 108,344 Shares in ADPDL, representing 1.0% of the total issued Shares of ADPDL
“ADPDL”	Apple Daily Publication Development Limited, a company incorporated in Hong Kong with limited liability, which is a 95.3% indirect non-wholly owned subsidiary of the Company
“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 the Shares
“Board”	the board of directors of the Company

“Company”	Next Digital Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“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”	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 and is an indirect wholly-owned subsidiary of the Company
“Sale Shares”	108,344 Shares held by the Seller
“Seller”	Mr. Ting Ka Yu, Stephen, a former director of both the Company and ADPDL within the preceding 12 months from the date of this announcement
“Shares”	the share(s) of ADPDL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan”	Republic of China
“%”	per cent

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

Hong Kong, 15 January 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