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**INSIDE INFORMATION**  
**RELATING TO STATUS OF THE GROUP**  
**AND**  
**SUSPENSION OF TRADING**

This announcement is made by Next Digital Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Company provides in this announcement status of the Group.

**STATUS OF THE GROUP**

*Cash Position*

Based on latest available information, the Group had unaudited bank and cash balances of approximately HK\$337.8 million as at 31 May 2021 (as at 31 March 2021: approximately HK\$521.4 million) which are held in various bank accounts of subsidiaries of the Company including funds in the frozen bank accounts of three affected subsidiaries of the Company under the notices dated 16 June 2021 issued by the Secretary for Security. The Group’s unaudited bank and cash balances reduced by HK\$183.6 million from 31 March 2021 to 31 May 2021 due primarily to the repayment of shareholder’s loan to Mr. Lai Chee Ying in the amount of HK\$150.0 million on 1 April 2021 and net expenses incurred in relation to the operations of businesses of the Group from April to May 2021.

*Businesses of the Group*

The Group principally derives advertising and other ancillary income from its publications. For the two years ended 31 March 2021, the Group’s newspaper and magazine in Hong Kong were *Apple Daily* (now ceased) and *Next Magazine* (now ceased). In Taiwan, the Group has been publishing *Taiwan Apple Daily* in its print and digital forms and has ceased the print form with effect from 18 May 2021. Although *Taiwan Apple Daily* continues to be accessible online, the Company has on 29 June 2021 received a non-legally binding proposal from an independent third party purchaser in respect of a possible disposal by the Group of its Taiwan operations. The management is currently in discussion

with the potential purchaser about the transaction structure and will make further announcement if and when a formal agreement is entered into which is not expected to be before 30 July 2021. If such possible disposal materializes, the Group will no longer maintain any operations in Taiwan. As no legally-binding agreement with respect to the proposal has been entered into, the proposal may or may not proceed.

The Stock Exchange has requested the Company to provide detailed assessment on whether the Company still maintains a sufficient level of operations and assets to warrant its continued listing status under Rule 13.24 of the Listing Rules. If the Company cannot satisfy the requirements under Rule 13.24 of the Listing Rules, its listing status may be affected. Further announcement will be made by the Company as and when there is any new material development.

#### *The Group's Business Premises*

The Company received a letter from the legal representatives of Hong Kong Science and Technology Parks Corporation alleging that there may have been violations of the lease conditions of the existing lease in respect of the Company's business premises at 8 Chun Ying Street, Tseung Kwan O Industrial Estate and that they would initiate land recovery procedures. The Company is seeking legal advice in relation to the letter from the legal representatives of Hong Kong Science and Technology Parks Corporation and will make further announcement as and when there is any material development in this regard.

#### **SUSPENSION OF TRADING**

Trading in the shares of the Company has been halted with effect from 9:00 a.m. on Thursday, 17 June 2021 pending the release of this announcement. Trading in the shares of the Company on the Stock Exchange will continue to be suspended until further notice.

By Order of the Board  
**Ip Yut Kin**  
*Chairman*

Hong Kong, 22 July 2021

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

*Non-executive Director:*  
Mr. Ip Yut Kin (*Chairman*)

*Independent Non-executive Directors:*  
Mr. Louis Gordon Crovitz  
Dr. Mark Lambert Clifford  
Mr. Lam Chung Yan, Elic