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NEXT DIGITAL
NEXT DIGITAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

**UPDATE ON ARBITRATION
SETTLEMENT**

This announcement is made by Next Digital Limited (the “Company”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 25 August 2017, 14 September 2017, 27 September 2017, 6 November 2017, 21 November 2017, 8 December 2017, 3 January 2018, 22 January 2018, 2 February 2018, 6 February 2018 and 16 April 2018, and the circular dated 29 September 2017 (the “Circular”) in relation to the proposed but terminated disposal of certain magazine businesses of the Company and related litigation and arbitration. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

On 8 November 2019, the Company, Seller A, Seller B and the Buyer entered into a deed of settlement (the “Deed”) pursuant to which the parties to the Deed have agreed full and final settlement of (1) any claims whether actual, prospective or contractual or non-contractual, which any party has or may have or has brought or may bring against the other party arising out of and/or in connection with the SPA including the claims made in the High Court Action No. 305 of 2018 and the arbitration under case number HKIAC/A18068 (collectively, the “Claims”); and (2) any costs incurred in relation to the Claims. The parties also agreed to promptly and jointly take all reasonable and necessary steps to terminate the arbitration proceedings.

The terms and conditions of the Deed have been determined after arm’s length negotiations between the parties. Taking into account the terms of the Deed (which are subject to confidentiality provisions) and any potential costs and time to be further incurred in continuing with the dispute, the Directors (including the independent non-executive Directors) consider the settlement and entering into of the Deed to be in the interests of the Company and the Shareholders.

By Order of the Board
Chow Tat Kuen, Royston
Executive Director

Hong Kong, 8 November 2019

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

Non-Executive Directors:

Mr. Lai Chee Ying

(Non-executive Chairman)

Mr. Ip Yut Kin

Executive Directors:

Mr. Cheung Kim Hung

Mr. Chow Tat Kuen, Royston

Independent Non-executive Directors:

Mr. Louis Gordon Crovitz

Mr. Mark Lambert Clifford

Mr. Lam Chung Yan, Elic