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NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

CONNECTED TRANSACTION INVOLVING AWARD OF NEW SHARES TO DIRECTOR

The Company announces that it has, on the Award Date, conditionally awarded the Award Shares to Dr. Hamm, being an independent non-executive Director, subject to conditions and compliance with the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE SHARE AWARD

The key terms of the proposed issue of Award Shares are set out below.

- Number of new Shares : 300,000 Shares, representing approximately 0.0123% of conditionally awarded the existing total issued Shares of the Company and 0.0123% of the total issued Shares of the Company as enlarged by the issue of the Award Shares (assuming no change in the total issued Shares of the Company between the date of this announcement and the date of issue of the Award Shares)
- Subscription price : As the Shares are to be issued as award, a nominal sum of HK\$10 will be payable by Dr. Hamm on each issue of Award Shares
- Value of Award Shares : HK\$231,000 in aggregate which is calculated using the closing price of the Share of HK\$0.77 on the Award Date
- Conditions and timing of issue : Subject to Dr. Hamm remaining as a Director on each issue date, the new Shares will be issued in accordance with the following timetable:-

- (i) 100,000 new Shares on the first anniversary of the Award Date;
- (ii) 100,000 new Shares on the second anniversary of the Award Date; and
- (iii) 100,000 new Shares on the third anniversary of the Award Date.

Dr. Hamm holds outstanding options exercisable into 510,000 Shares. Together with the Award Shares, he will not hold more than 1% of the total issued Shares of the Company as a result of the issue of the Award Shares to him, being one of the factors in assessing his independence under Rule 3.13 of the Listing Rules.

A total of HK\$30 is payable by Dr. Hamm for the subscription of the Award Shares. There will be no net proceeds (and therefore no net price per Award Share) from the issue of the Award Shares after deduction of expenses. Based on the aggregate gross proceeds of HK\$30 and a total of 300,000 Award Shares, the issue price per Award Share is HK0.01 cent.

Assuming there is no change in the total issued Shares of the Company after the date of this announcement, the 300,000 Award Shares in total represent approximately 0.0123% of the total issued Shares of the Company as at the date of this announcement and approximately 0.0123% of the total issued Shares of the Company as enlarged by the issue of all the Award Shares. The Award Shares have no nominal value.

For the purposes of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Dr. Hamm has total derivative interests in 810,000 Shares, representing approximately 0.0333% of the total issued Shares of the Company as at the date of this announcement.

REASONS FOR THE ISSUE OF AWARD SHARES

Currently, the Board comprises four independent non-executive Directors, namely, Mr. Fok, Mr. Wong, Dr. Lee and Dr. Hamm. They were paid Director's fee for the year ended 31 March 2015 (Mr. Fok: HK\$330,000, Mr. Wong: HK\$300,000, Dr. Lee: HK\$300,000 and Dr. Hamm: HK\$19,534 on a prorated basis from 1 March 2015, his date of appointment, to 31 March 2015, both days inclusive). On 30 June 2014, the Company conditionally awarded a total of 930,000 award shares to Mr. Fok (330,000 Shares), Mr. Wong (300,000 Shares) and Dr. Lee (300,000 Shares), which was duly approved by the independent shareholders at the 2014 EGM.

Subject to the approval by the Shareholders at the 2015 annual general meeting of the Company, Dr. Hamm will be paid Director's fee for the year ending 31 March 2016 at such amount as recommended by the Remuneration Committee and approved by the Board. The proposed issue of the new Award Shares provides an additional form of reward to Dr. Hamm on similar terms as those award shares offered to Mr. Fok, Mr. Wong and Dr. Lee on 30 June 2014. The number of Award Shares is determined by the Board after taking into consideration factors such as market practices, years of service, role and responsibilities as well as the annual Directors' fee and award shares offered to each independent non-executive Director. The Board (including the other three independent non-executive Directors, namely, Mr. Fok, Mr. Wong and Dr. Lee) is of the view that the terms of issue of the Award Shares to Dr. Hamm are fair and reasonable and in the interests of the Shareholders as a whole. Dr. Hamm has abstained from voting on the resolutions of the Board approving the issue of the Award Shares to him.

LISTING RULES IMPLICATIONS

Dr. Hamm, being an independent non-executive Director, is a connected person of the Company. Accordingly, the issue of Award Shares is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. An Independent Board Committee (excluding Dr. Hamm) comprising Mr. Fok, Mr. Wong and Dr. Lee, all being independent non-executive Directors, has been established to give advice to the Independent Shareholders. An EGM will be convened at which Independent Shareholders will consider and vote by way of poll on the issue of the Award Shares to Dr. Hamm. Dr. Hamm and his respective associates are required to abstain from voting on the relevant resolution in respect of issue of the Award Shares. An Independent Financial Adviser has been appointed to advise the Independent Board Committee as to whether the terms of issue of the Award Shares are fair and reasonable and whether they are in the interests of the Company and the Shareholders as a whole and the Independent Board Committee will advise the Independent Shareholders as to how to vote on the resolution approving the issue of the Award Shares at the EGM.

Dr. Hamm, being the awardee of the Award Shares, is considered as having material interests in the proposed issue and therefore will not provide any recommendation to the Independent Shareholders on the terms of issue of the Award Shares and as to how to vote.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Award Shares to be issued to by Dr. Hamm.

A circular containing advice from an Independent Financial Adviser to the Independent Board Committee, the letter from the Independent Board Committee to the Independent Shareholders together with a notice convening the EGM is expected to be despatched to the Shareholders by no later than 5 May 2015.

GENERAL

The Group is mainly engaged in the publication and printing of newspapers, magazines and books in Hong Kong and Taiwan. It also sells advertising space in these and on its web portals and subscriptions to the web portals. Furthermore, it provides printing, reprographic and animation services; delivers Internet contents as well as develops mobile and online games.

The Company had not carried out any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement. As disclosed in the Company's announcement dated 30 June 2014, the Company conditionally awarded a total of 930,000 award shares to its independent non-executive Directors for nominal consideration.

DEFINITIONS

The following terms in this announcement have the meanings as set out below opposite to them:-

“2014 EGM”	an extraordinary general meeting duly convened and held on 31 July 2014 approving the issue of the Award Shares to Mr. Fok, Mr. Wong and Dr. Lee
“Award Date”	13 April 2015, being the date on which new Shares are conditionally awarded to Dr. Hamm
“Award Shares”	an aggregate of 300,000 new Shares to be allotted and issued to Dr. Hamm
“Board”	the board of Directors
“Company”	Next Media Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Hamm”	Dr. Bradley Jay Hamm, being an independent non-executive Director of the Company

“Dr. Lee”	Dr. Lee Ka Yam, Danny, being an independent non-executive Director of the Company
“EGM”	extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the issue of the Award Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry out type 6 regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser which has been appointed to advise the Independent Board Committee in respect of the issue of the Award Shares
“Independent Board Committee”	the board committee comprising all independent non-executive Directors except Dr. Hamm, which has been established to give advice to the Independent Shareholders in respect of the issue of the Award Shares
“Independent Shareholders”	all Shareholders other than Dr. Hamm
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fok”	Mr. Fok Kwong Hang, Terry, being an independent non-executive Director of the Company
“Mr. Wong”	Mr. Wong Chi Hong, Frank, being an independent non-executive Director of the Company
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong, 13 April 2015

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

Executive Directors:

Mr. Cheung Ka Sing, Cassian
(Interim Chairman)
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
Dr. Bradley Jay Hamm