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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Next Digital Limited (the “Company”) will be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Friday, 29 July 2016 at 3:00 p.m. for the purpose of transacting the following business:–

Ordinary business

1. To receive, consider and adopt the Reports of the Directors and the Auditor and the audited Financial Statements for the year ended 31 March 2016.
2.
 - (a) To re-elect Mr. Chow Tat Kuen, Royston as an executive Director of the Company.
 - (b) To re-elect Mr. Fok Kwong Hang, Terry as an independent non-executive Director of the Company.
 - (c) To re-elect Dr. Lee Ka Yam, Danny as an independent non-executive Director of the Company.
3. To approve a sum not exceeding HK\$3,000,000 to be paid to the Directors of the Company as fees of the Directors for the year ending 31 March 2017.
4. To re-appoint Deloitte Touche Tohmatsu as Auditor and to authorise the Directors to fix their remuneration.

Special business

To consider and, if thought fit, pass with or without modification the following as ordinary resolutions:–

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to allot and issue additional shares in the capital of the Company (including but not limited to the share subscription and financing plan of the Company adopted on 29 October 2007) and to make or grant offers, agreements and options (including warrants and securities convertible or exercisable into shares of the Company) which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
 - (iii) the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted (excluding the share subscription and financing plan of the Company adopted on 29 October 2007) for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of the shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company;

shall not exceed 20% of the aggregate number of the shares of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly;

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting; and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares in the Company, open for a period fixed by the Directors to the holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors, after making enquiry, may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of the relevant place, or the requirements of the relevant regulatory body, or any stock exchange in that place).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to repurchase shares in the capital of the Company, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which may be repurchased by the Directors pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of the shares of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting.”

7. “**THAT** conditional upon the passing of Resolutions Nos. 5 and 6 set out in the Notice of this Meeting, the aggregate number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under Resolution No. 5 set out in the Notice of this Meeting be and is hereby increased and extended by adding the aggregate number of shares in the capital of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under Resolution No. 6 set out in the Notice of this Meeting provided that such number of shares of the Company so repurchased shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of the passing of this Resolution”.

By Order of the Board
Chow Tat Kuen, Royston
Director

Hong Kong, 28 June 2016

Notes:

1. Pursuant to the Listing Rules and the Articles of Association of the Company, any vote of member at a general meeting must be taken by poll except where the chairman of the meeting of the Company, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.
2. Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of such member in accordance with the Articles of Association of the Company. A proxy need not be a member of the Company.
3. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
4. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding, the first named being the senior.
5. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received by the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
6. The Register of Members of the Company will be closed from Tuesday, 26 July 2016 to Friday, 29 July 2016, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 25 July 2016.
7. In relation to Resolution No. 2 in this Notice, Mr. Chow Tat Kuen, Royston, Mr. Fok Kwong Hang, Terry and Dr. Lee Ka Yam, Danny will retire at the Annual General Meeting pursuant to the Company's Articles of Association and being eligible, offer themselves for re-election. The re-election of the aforementioned Directors will be individually voted on by the shareholders of the Company. The biographical details and interests in the shares of the Company and its subsidiaries within the meanings of Part XV of the Securities and Futures Ordinance of those Directors who stand for re-election at the Annual General Meeting are set out in Appendix of this Notice.

8. In relation to Resolution No. 3 in this Notice, it is proposed that a sum not exceeding HK\$3,000,000 be paid as fees to the Directors of the Company, such sum to be divided between the Directors of the Company in such ways as may be determined by the Board of Directors. The executive Directors of the Company are paid in accordance with their remuneration packages and in such sums as determined by the Board of Directors.
9. In relation to Resolution Nos. 5 and 6, the Directors wish to state that they have no immediate plan to issue any new shares of the Company. The general mandate is being sought from the shareholders in compliance with the Companies Ordinance and the Listing Rules.
10. In relation to Resolution No. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the Company. The explanatory statement containing the information relating to the repurchase of shares, as required by the Listing Rules, is set out in Appendix II of the circular of the Company dated 28 June 2016.
11. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:00 p.m. on 29 July 2016 and/or the Hong Kong Observatory has announced at or before 1:00 p.m. on 29 July 2016 that either of the above mentioned warnings is to be issued within the next two hours, the Annual General Meeting shall automatically be postponed to the next Business Day on which no “black” rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:00 p.m. to 3:00 p.m. and in such case the Annual General Meeting shall be held at 3:00 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong. “Business Day”, in this context, shall mean a day (not being Saturday, Sunday or public holiday) on which banks in Hong Kong generally are open for business.

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

Non-executive Director:

Mr. Ip Yut Kin

(Non-executive Chairman)

Executive Directors:

Mr. Cheung Ka Sing, Cassian

(Chief Executive Officer)

Mr. Chow Tat Kuen, Royston

(Chief Financial Officer)

Independent Non-executive Directors:

Mr. Fok Kwong Hang, Terry

Mr. Wong Chi Hong, Frank

Dr. Lee Ka Yam, Danny

Dr. Bradley Jay Hamm

APPENDIX – DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

Pursuant to articles 79, 84 and 85, Mr. Chow Tat Kuen, Royston (“Mr. Chow”), Mr. Fok Kwong Hang, Terry (“Mr. Fok”) and Dr. Lee Ka Yam, Danny (“Dr. Lee”) shall retire at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting. Their biographical details are as follows:

Mr. Chow Tat Kuen, Royston, aged 58, has been a Director of the Company since January 2016. He is currently the Group’s Chief Financial Officer, as well as the Chief Operating Officer of Apple Daily Printing Limited and Paramount Printing Company Limited. Prior to joining the Group, he held senior management accounting positions with several leading financial institutions in Hong Kong and Australia. The holder of a Bachelor of Commerce in Accounting degree and a Master of Commerce in Finance degree from the University of New South Wales, Australia, Mr. Chow is also a fellow member of the CPA Australia and The Hong Kong Institute of Certified Public Accountants.

Other than in his capacity as a Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Chow is not related to and has no business relationship with the other Directors, senior management and substantial shareholders (as defined in the Listing Rules) of the Company. Mr. Chow also did not have directorship held in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Chow has a personal interest in 300,000 Shares and a derivative interest in 4,156,000 Shares, representing approximately 0.012% and 0.171% of the issued Shares of the Company respectively.

Mr. Chow has a service contract with Next Media Management Services Limited, a wholly-owned subsidiary of the Company. Pursuant to his service contract, Mr. Chow is entitled to receive a monthly salary of HK\$182,011 on a 14-month basis and certain allowances. He is also entitled to a senior executive bonus pegged to performance. Such emoluments are determined by reference to job responsibilities, the Group’s performance and profitability as well as remuneration benchmark in the industry. He is also entitled to receive a Director’s fee per annum subject to the review by the Remuneration Committee and approval by the Board with reference to his responsibilities and prevailing market practices. Mr. Chow received emoluments including salaries and other benefits in the total amount of HK\$1,067,736 and a pro-rated Director’s fee of HK\$50,000 for the period from 1 January 2016, his date of appointment, to 31 March 2016, both days inclusive.

Save as disclosed above, there is no information relating to Mr. Chow which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Fok Kwong Hang, Terry, aged 61, has been a Director of the Company since June 2000. He holds both M.Sc. and MBA degrees from the University of Wisconsin, U.S.A. Mr. Fok has over 30 years' experience in the securities industry, and he is currently a director of Yuanta Securities (Hong Kong) Company Limited.

Other than in his capacity as a Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Fok is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Fok also did not have directorship held in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Fok had a personal interest in 2,130,000 Shares and a derivative interest in respect of 510,000 Shares, representing approximately 0.088% and 0.021% of the issued share capital of the Company respectively.

Mr. Fok does not have a service contract with the Company. He has been appointed as an independent non-executive Director for a fixed term expiring on 31 March 2017, subject to the provisions relating to re-election and retirement by rotation at annual general meeting as stipulated in the Articles of Association. Mr. Fok is entitled to receive a Director's fee per annum, as may be reviewed by the Remuneration Committee and approved by the Board with reference to his responsibilities and prevailing market practices subject to an authority being granted by the Shareholders at the Annual General Meeting. Mr. Fok received a Director's fee of HK\$330,000 for the year ended 31 March 2016.

Save as disclosed above, there is no information relating to Mr. Fok which is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Dr. Lee Ka Yam, Danny, aged 54, has been a Director of the Company since March 2009. He has extensive experience in strategic management, merger and acquisitions, assurance and financial advisory work, particularly in the areas of marketing communications and media industry. Dr. Lee is a fellow member of the Chartered Association of Certified Accountants U.K., the Hong Kong Institute of Certified Public Accountants and an associate member of the Institute of Chartered Accountants in England and Wales.

Dr. Lee obtained a Master of Arts degree in international accounting from the City University of Hong Kong, a Master of Arts degree in English for the professions and a Doctorate degree in business administration, both from the Hong Kong Polytechnic University and a Master of Science degree in electronic commerce and internet computing from the University of Hong Kong.

Other than in his capacity as a Director and by virtue of his shareholding interests in the Company (details of which are described below), Dr. Lee is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Dr. Lee also did not have directorship held in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Dr. Lee has a personal interest in 300,000 Shares and a derivative interest in 510,000 Shares, representing approximately 0.012% and 0.021% of the total issued Shares of the Company respectively.

Dr. Lee does not have a service contract with the Company. He has been appointed as an independent non-executive Director for a fixed term expiring on 8 March 2017, subject to the provisions relating to re-election and retirement by rotation at annual general meeting as stipulated in the Articles of Association. Dr. Lee is entitled to receive a Director's fee per annum, as may be reviewed by the Remuneration Committee and approved by the Board with reference to his responsibilities and prevailing market practices subject to an authority being granted by the Shareholders at the Annual General Meeting. Dr. Lee received a Director's fee of HK\$300,000 for the year ended 31 March 2016.

Save as disclosed above, there is no information relating to Dr. Lee which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.