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NEXTDIGITAL

NEXT DIGITAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

**INSIDE INFORMATION
POSSIBLE DISPOSAL OF CERTAIN MAGAZINES
AND
RESUMPTION 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)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of the Company announces that on 17 July 2017 (after trading hours), the Company has accepted an indicative offer from W Bros. Investments Limited, a company wholly-owned by Mr. Wee Ho (an independent third party) (the “Potential Purchaser”) to proceed to negotiate a formal agreement in relation to the possible disposal of the Group’s Hong Kong and Taiwan business interests in *Next Magazine*, *Sudden Weekly*, *Face* (including former *Easy Finder HK*), *ME!* and *Next+One* (the “Possible Disposal”).

The indicated valuation for the magazine businesses under the Possible Disposal is approximately HK\$500,000,000, comprising HK\$320,000,000 payable to the Company and HK\$180,000,000 to be injected into the magazine businesses under the Possible Disposal. The terms of the Possible Disposal are still subject to further discussion and negotiation between the Company and the Potential Purchaser and the execution of a definitive and binding agreement.

The Potential Purchaser has paid a sum of HK\$10,000,000 earnest money (the “Earnest Money”), which is non-refundable (except as detailed below), and the Company has undertaken not to continue or enter into any discussion with or accept any offer from any other third party in relation to the Possible Disposal up to and including to 31 December 2017 (the “Exclusivity Period”). If the Company enters into any transaction similar to the Possible Disposal before the expiry of the Exclusivity Period, the Company will forthwith on demand refund the Earnest Money to the Potential Purchaser and pay the Potential Purchaser an additional HK\$10,000,000 as liquidated damages.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 17 July 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 1:00 p.m. on 17 July 2017.

The Possible Disposal, if materialised, may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) relating to the Possible Disposal will be made by the Company as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors of the Company are reminded that the Company may or may not enter into a definitive and binding agreement for the Possible Disposal. As the Possible Disposal may or may not proceed, shareholders and potential investors of the Company are therefore cautioned to exercise care when dealing in the shares of the Company.

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

Hong Kong, 17 July 2017

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

Mr. Chow Tat Kuen, Royston

Independent Non-executive Directors:

Mr. Wong Chi Hong, Frank

Dr. Lee Ka Yam, Danny

Dr. Bradley Jay Hamm