

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

BUSINESS UPDATE
LITIGATION

Reference is made to the announcements of Next Digital Limited (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 and 6 February 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. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular. This is a status update of the subject litigation.

On 10 April 2018, the Company and the Sellers received an amended writ of summons from the Buyer (“Amended Writ”). Under the Amended Writ, the Buyer alleges, among other matters, that Safe-Harbour Completion did not take place as a result of the wilful default of the Sellers and the Company (which for the avoidance of doubt, is strongly denied) and claims against the Sellers and the Company (i) return of deposits paid of HK\$88,000,000; (ii) an additional amount of HK\$88,000,000 as liquidated damages; (iii) consequential losses of 900,000,000 New Taiwan Dollars (equivalent to approximately HK\$240,000,000); and (iv) unspecified damages for loss caused by other torts.

The SPA specifically provides that any dispute arising out of or in the connection with the SPA shall be dealt with by way of arbitration instead of court proceeding. The Company and the Sellers have therefore applied for a stay of the litigation proceeding wrongfully initiated by the Buyer in the Court of First Instance of the High Court of Hong Kong and a hearing for such application has been fixed on 24 April 2018.

The Company and the Sellers consider the Buyer’s allegations and claims to be utterly wrong and ill-founded and will continue to defend their position vigorously.

Shareholders and potential investors of the Company should accordingly exercise caution when dealing in the securities of the Company.

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

Hong Kong, 16 April 2018

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

Non-executive Directors:

Mr. Lai Chee Ying (*Non-executive Chairman*)
Mr. Ip Yut Kin

Independent Non-executive Directors:

Dr. Lee Ka Yam, Danny
Dr. Bradley Jay Hamm
Mr. Louis Gordon Crovitz

Executive Directors:

Mr. Cheung Kim Hung
Mr. Chow Tat Kuen, Royston