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

**INSIDE INFORMATION**

**MEMORANDUM OF UNDERSTANDING  
IN RELATION TO  
THE PROPOSED DISPOSAL OF  
A SUBSIDIARY**

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board hereby announces that on 19 April 2021 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into a non-legally binding MOU with the Purchaser, an independent third party, in relation to the Proposed Disposal of the entire issued share capital of the Target Company.

The Board wishes to emphasize that no legally-binding agreement in relation to the Proposed Disposal has been entered into as at the date of this announcement. If the Proposed Disposal materializes, the transaction will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement(s) will be made by the Company in accordance with applicable requirements of the Listing Rules as and when appropriate.

**As no legally-binding agreement with respect to the Proposed Disposal has been entered into and there is no certainty that any such agreement will be entered into, the Proposed Disposal may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.**

This announcement is made by Next Digital Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**THE MOU**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 19 April 2021 (after trading hours), Database Gateway Limited, a direct wholly-owned subsidiary of the Company (the “**Vendor**”), entered into a non-legally binding memorandum of understanding (the “**MOU**”) with a potential purchaser (the

“**Purchaser**”). Pursuant to the MOU, the Purchaser intends to acquire and the Vendor intends to dispose of (the “**Proposed Disposal**”), the entire issued share capital of Amazing Sino International Limited (the “**Target Company**”). The Purchaser and its ultimate beneficial owner(s) are third part(ies) independent of the Company and its connected persons (has the meaning ascribed to it in the Listing Rules) and will be identified in the announcement to be published if and when definitive agreement in respect of the Proposed Disposal is entered into.

The principal terms of the MOU are summarised below:

**Date**

19 April 2021 (after trading hours)

**Parties**

- (i) The Purchaser; and
- (ii) the Vendor.

**Consideration**

The consideration and payment terms will be determined based on preliminary due diligence and other relevant evaluation results and will be specified in the formal agreement.

**Due diligence**

The Purchaser shall conduct and complete a preliminary due diligence review on the financial and legal and other matters of the Target Company within two weeks from the date of the MOU. The Vendor agreed to provide all documents and information as reasonably requested by the Purchaser. The Purchaser shall make a legally-binding offer to the Vendor after completion of the preliminary due diligence, in order to enable the parties to negotiate the terms of the Proposed Disposal.

**Formal agreement**

The parties to the MOU agreed to negotiate in good faith with a view to entering into a legally binding formal agreement in relation to the Proposed Disposal.

**Non-solicitation**

During the effective period of the MOU and within 12 months after the termination thereof, neither party shall solicit or entice away any person to leave the employment of the other party and hire such person in the name of itself, or a third party; nor shall either party hinder any person not an employee of the other party from joining its own employment or interfere with the employee recruitment of the other party.

**Duration**

The MOU shall automatically terminate at the expiration of one month from the date of the MOU, unless extended by the parties in writing. If during such period the parties enter into any legally-binding document or formal agreement, then the MOU shall automatically terminate on the date of signing of such document or agreement, whichever occurs earlier.

## **Binding effect**

Save for the provisions relation to non-solicitation, fees, duration, confidentiality and governing law and jurisdiction, the MOU does not constitute a legally binding agreement between the parties to the MOU on the Proposed Disposal.

## **REASONS FOR AND BENEFIT OF THE PROPOSED DISPOSAL**

The Target Company is a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands. It holds various assets including the Group's business of *Taiwan Apple Daily* and a property in Taiwan. The parties to the MOU are still in discussion on the exact assets and/or business which may be included in the Proposed Disposal. It is therefore possible that certain restructuring will need to be implemented and only certain parts (if at all) of the Group's business of *Taiwan Apple Daily* may be included in the Proposed Disposal. The exact subject matter of the Proposed Disposal will be specified in the formal agreement to be entered into. In any event, the Proposed Disposal is aimed to enable the Group to rationalize and focus its resources on the Group's profitable operations which should in turn enable the Group to improve its overall business performance.

## **GENERAL**

The Board wishes to emphasize that no legally-binding agreement in relation to the Proposed Disposal has been entered into as at the date of this announcement. The final terms of the definitive agreement are subject to further negotiations between the parties and have yet to be finalized, and may therefore be different from those set out in the MOU.

If the Proposed Disposal materializes, the transaction will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement(s) will be made by the Company in accordance with applicable requirements of the Listing Rules as and when appropriate.

**As no legally-binding agreement with respect to the Proposed Disposal has been entered into and there is no certainty that any such agreement will be entered into, the Proposed Disposal may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Cheung Kim Hung**  
*Chief Executive Officer and  
Executive Director*

Hong Kong, 19 April 2021

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

*Non-executive Director:*  
Mr. Ip Yut Kin (*Chairman*)

*Executive Directors:*  
Mr. Cheung Kim Hung  
Mr. Chow Tat Kuen, Royston  
Mr. Chang Yue Shing

*Independent Non-executive Directors:*  
Mr. Louis Gordon Crovitz  
Dr. Mark Lambert Clifford  
Mr. Lam Chung Yan, Elic