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**NEXT DIGITAL**

**NEXT DIGITAL LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00282)**

## **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the financial information currently available, the Group expects to record an increase in loss for the year ended 31 March 2018 as compared to a loss for the last year.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Next Digital Limited (the “Company”, 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 (Chapter 571, Laws of Hong Kong) (the “SFO”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that based on the financial information currently available, the Group expects to record an increase in loss of approximately 21.0% for the year ended 31 March 2018 as compared to a loss for the last year.

Such an increase in loss for the year ended 31 March 2018 was mainly attributable to the following reasons:

- (i) Poor market sentiment and cautious advertisement spending driven by slow economic growth in Hong Kong and Taiwan during the year under review, which led to a decline in advertising spending together with keen global competition of online advertising;
- (ii) Drop in circulation income of the Group’s publications due to readers’ preference of free online media over printed properties;

- (iii) The expenses incurred for the Group's restructuring during the year under review, including the payment in lieu of notice amounting to HK\$21.9 million for layoff of the relevant employees of the Group; and
- (iv) Based on the latest valuation report of the Group's mastheads and publishing rights in respect of *Apple Daily* the year ended 31 March 2018, the recoverable amount of the masthead and publishing right of *Apple Daily* is less than its carrying amount and therefore, an impairment in the amount of approximately HK\$159.9 million has been made for the year.

The Company is in the process of finalizing the Group's annual results for the year ended 31 March 2018. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the current unaudited consolidated management accounts of the Group, and such information has not been reviewed by the Company's auditor and is subject to possible adjustment arising from further internal review by the Board and the auditor of the Company. Shareholders and potential investors are advised to refer to the details of the Group's annual results for the year ended 31 March 2018 which is expected to be released in mid-June 2018.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 6 June 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

*Executive Directors:*

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

*Independent Non-executive Directors:*

Mr. Mark Lambert Clifford  
Mr. Louis Gordon Crovitz  
Dr. Bradley Jay Hamm  
Mr. Lam Chung Yan, Elic