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NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

CONNECTED TRANSACTIONS INVOLVING AWARD OF NEW SHARES TO DIRECTORS

The Board announces that it has, on the Award Date, conditionally awarded the Award Shares to Mr. Fok, Mr. Wong and Dr. Lee, being all the independent non-executive Directors, subject to conditions and compliance with the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

A circular containing advice from the Independent Financial Adviser to the Independent Shareholders together with a notice convening the EGM is expected to be despatched to Shareholders by no later than 16 July 2014.

The Company announces that it has, on the Award Date, conditionally awarded the Award Shares to Mr. Fok, Mr. Wong and Dr. Lee, being all the independent non-executive Directors, subject to conditions and compliance with the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE SHARE AWARDS

The key terms of the proposed issue of Award Shares are set out below.

1. Mr. Fok Kwong Hang, Terry

Number of new Shares : 330,000 Shares, representing approximately 0.0136% of the conditionally awarded existing total issued Shares of the Company and 0.0136% of the total issued Shares of the Company as enlarged by the issue of all the Award Shares (assuming no change in the total issued Shares of the Company between the date of this announcement and the date of issue of all Award Shares)

- Subscription price : As the Shares are to be issued as awards, a nominal amount of HK\$11 will be payable by Mr. Fok on each issue of Award Shares.
- Value of Award Shares : HK\$280,500 in aggregate which is calculated using the closing price of the Share of HK\$0.85 on the Award Date
- Conditions and timing of issue : Subject to Mr. Fok remaining as a Director on each issue date, the new Shares will be issued in accordance with the following timetable:-
- (i) 110,000 new Shares on the first anniversary of the Award Date;
 - (ii) 110,000 new Shares on the second anniversary of the Award Date; and
 - (iii) 110,000 new Shares on the third anniversary of the Award Date.

2. Mr. Wong Chi Hong, Frank

- Number of new Shares conditionally awarded : 300,000 Shares, representing approximately 0.0123% of the existing total issued Shares of the Company and 0.0123% of the total issued Shares of the Company as enlarged by the issue of all the Award Shares (assuming no change in the total issued Shares of the Company between the date of this announcement and the date of issue of all Award Shares)
- Subscription price : As the Shares are to be issued as awards, a nominal amount of HK\$10 will be payable by Mr. Wong on each issue of Award Shares
- Value of Award Shares : HK\$255,000 in aggregate which is calculated using the closing price of the Share of HK\$0.85 on the Award Date
- Conditions and timing of issue : Subject to Mr. Wong remaining as a Director on each issue date, the new Shares will be issued in accordance with the following timetable:-
- (i) 100,000 new Shares on the first anniversary of the Award Date;
 - (ii) 100,000 new Shares on the second anniversary of the Award Date; and
 - (iii) 100,000 new Shares on the third anniversary of the Award Date.

3. Dr. Lee Ka Yam, Danny

- Number of new Shares conditionally awarded : 300,000 Shares, representing approximately 0.0123% of the existing total issued Shares of the Company and 0.0123% of the total issued Shares of the Company as enlarged by the issue of all the Award Shares (assuming no change in the total issued Shares of the Company between the date of this announcement and the date of issue of all Award Shares)
- Subscription price : As the Shares are to be issued as awards, a nominal sum of HK\$10 will be payable by Dr. Lee on each issue of Award Shares
- Value of Award Shares : HK\$255,000 in aggregate which is calculated using the closing price of the Share of HK\$0.85 on the Award Date
- Conditions and timing of issue : Subject to Dr. Lee remaining as a Director on each issue date, the new Shares will be issued in accordance with the following timetable:-
- (i) 100,000 new Shares on the first anniversary of the Award Date;
 - (ii) 100,000 new Shares on the second anniversary of the Award Date; and
 - (iii) 100,000 new Shares on the third anniversary of the Award Date.

Based on his confirmation, Mr. Fok beneficially holds 1,800,000 Shares. Each of Mr. Fok, Mr. Wong and Dr. Lee holds outstanding options exercisable into 510,000 Shares. Together with the Award Shares, none of them will hold more than 1% of the total issued share capital of the Company as a result of issue of the Award Shares to them, being one of the factors in assessing independence under Rule 3.13 of the Listing Rules.

A total of HK\$93 is payable by Mr. Fok, Mr. Wong and Dr. Lee for subscription of all the Award Shares. There will be no net proceeds (and therefore no net price per Award Share) from issue of the Award Shares after deduction of expenses. Based on aggregate gross proceeds of HK\$93 and a total of 930,000 Award Shares, the issue price per Award Share is HK0.01 cent.

Assuming there is no change in the total issued Shares of the Company after the date of this announcement, the 930,000 Award Shares in total represent approximately 0.038% of the total issued Shares of the Company as at the date of this announcement and approximately 0.038% of the total issued Shares of the Company as enlarged by the issue of all the Award Shares. The Award Shares have no nominal value.

REASONS FOR THE ISSUE OF AWARD SHARES

The independent non-executive Directors were paid Director's fees (Mr. Fok: HK\$330,000; Mr. Wong: HK\$300,000; and Dr. Lee: HK\$300,000) for the year ended 31 March 2014. The proposed issue of the new Award Shares provides an additional form of reward for their contribution to the Group. The number of Award Shares were determined by the Board taking into consideration factors such as market practices, years of service, role and responsibilities and contribution of each independent non-executive Director. The Board (excluding the independent non-executive Directors) is of the view that the terms of issue of the Award Shares to Mr. Fok, Mr. Wong and Dr. Lee are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Mr. Fok, Mr. Wong and Dr. Lee, being Directors, are connected persons of the Company. Accordingly, the issue of Award Shares is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The issue of the Award Shares is subject to Independent Shareholders' approval requirement. An EGM will be convened at which Independent Shareholders will consider and vote by way of poll on the issue of the Award Shares to Mr. Fok, Mr. Wong and Dr. Lee respectively. Each of Mr. Fok, Mr. Wong and Dr. Lee, and their respective associates, are required to abstain from voting on the relevant resolution in respect of issue of the Award Shares. An Independent Financial Adviser will be appointed to advise the Independent Shareholders as to whether the terms of issue of the Award Shares are fair and reasonable and whether they are in the interests of the Company and the Shareholders as a whole, and as to how to vote.

Mr. Fok, Mr. Wong and Dr. Lee, being the awardees of the Award Shares, are considered as having material interests in the proposed issue and therefore will not provide any recommendation to the Independent Shareholders on the terms of issue of the Award Shares and as to how to vote. Each of Mr. Fok, Mr. Wong and Dr. Lee has abstained from voting on the Board resolution approving his award.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Award Shares to be issued to by Mr. Fok, Mr. Wong and Dr. Lee.

A circular containing advice from an Independent Financial Adviser to the Independent Shareholders together with a notice convening the EGM is expected to be despatched to Shareholders by no later than 16 July 2014.

GENERAL

The Group is mainly engaged in the publication and printing of newspapers, magazines and books in Hong Kong and Taiwan. It also sells advertising space in these and on its Web portals and subscriptions to the Web portals. Furthermore, it provides printing, reprographic and animation services; delivers Internet contents as well as develops mobile and online games.

The Company had not carried out any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement.

DEFINITIONS

The following terms in this announcement have the meanings as set out below opposite to them:-

“Award Date”	30 June 2014, being the date on which new Shares are conditionally awarded to Mr. Fok, Mr. Wong and Dr. Lee
“Award Shares”	an aggregate of 930,000 new Shares to be allotted and issued to Mr. Fok, Mr. Wong and Dr. Lee
“Board”	the board of Directors
“Company”	Next Media Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Lee”	Dr. Lee Ka Yam, Danny, an independent non-executive Director
“EGM”	extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the issue of Award Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Financial Adviser”	independent financial adviser to be appointed to advise the Independent Shareholders in respect of the issue of Award Shares
“Independent Shareholders”	all Shareholders other than Mr. Fok, Mr. Wong and Dr. Lee
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fok”	Mr. Fok Kwong Hang, Terry, an independent non-executive Director
“Mr. Wong”	Mr. Wong Chi Hong, Frank, an independent non-executive Director
“Share(s)”	ordinary share(s) of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Per cent

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

Hong Kong, 30 June 2014

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

Executive Directors:

Mr. Lai Chee Ying, Jimmy (Chairman)
Mr. Cheung Ka Sing, Cassian
Mr. Ting Ka Yu, Stephen
Mr. Ip Yut Kin

Independent Non-executive Directors:

Mr. Fok Kwong Hang, Terry
Mr. Wong Chi Hong, Frank
Dr. Lee Ka Yam, Danny