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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Next Digital Limited (the “Company”) will be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Friday, 28 July 2017 at 3:00 p.m. for the purpose of transacting the following business:–

Ordinary business

1. To receive, consider and adopt the Reports of the Directors and the Auditor and the audited Financial Statements for the year ended 31 March 2017.
2. (a) To re-elect Mr. Ip Yut Kin as a non-executive Director of the Company.
(b) To re-elect Mr. Cheung Ka Sing, Cassian as an executive Director of the Company.
3. To approve a sum not exceeding HK\$3,000,000 to be paid to the Directors of the Company as fees of the Directors for the year ending 31 March 2018.
4. To re-appoint Deloitte Touche Tohmatsu as Auditor and to authorise the Directors to fix their remuneration.

Special business

To consider and, if thought fit, pass with or without modification the following as ordinary resolutions:–

5. **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to allot and issue additional shares in the capital of the Company (including but not limited to the share subscription and financing plan of the Company adopted on 29 October

2007) and to make or grant offers, agreements and options (including warrants and securities convertible or exercisable into shares of the Company) which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;

(b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:

(i) a Rights Issue (as hereinafter defined);

(ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;

(iii) the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted (excluding the share subscription and financing plan of the Company adopted on 29 October 2007) for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or

(iv) any scrip dividend or similar arrangement providing for the allotment of the shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company;

shall not exceed 20% of the aggregate number of the shares of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly;

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting; and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares in the Company, open for a period fixed by the Directors to the holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors, after making enquiry, may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of the relevant place, or the requirements of the relevant regulatory body, or any stock exchange in that place).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to repurchase shares in the capital of the Company, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which may be repurchased by the Directors pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of the shares of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held; and

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting.”

7. “**THAT** conditional upon the passing of Resolutions Nos. 5 and 6 set out in the Notice of this Meeting, the aggregate number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under Resolution No. 5 set out in the Notice of this Meeting be and is hereby increased and extended by adding the aggregate number of shares in the capital of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under Resolution No. 6 set out in the Notice of this Meeting provided that such number of shares of the Company so repurchased shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of the passing of this Resolution”.

By Order of the Board
Chow Tat Kuen, Royston
Director

Hong Kong, 27 June 2017

Notes:

1. Pursuant to the Listing Rules and the Articles of Association of the Company, any vote of member at a general meeting must be taken by poll except where the chairman of the meeting of the Company, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.
2. Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of such member in accordance with the Articles of Association of the Company. A proxy need not be a member of the Company.
3. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

4. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding, the first named being the senior.
5. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received by the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
6. The Register of Members of the Company will be closed from Tuesday, 25 July 2017 to Friday, 28 July 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 24 July 2017.
7. In relation to Resolution No. 2 in this Notice, Mr. Ip Yut Kin and Mr. Cheung Ka Sing, Cassian will retire at the Annual General Meeting pursuant to the Company's Articles of Association and being eligible, offer themselves for re-election. The re-election of the aforementioned Directors will be individually voted on by the shareholders of the Company. The biographical details and interests in the shares of the Company and its subsidiaries within the meanings of Part XV of the Securities and Futures Ordinance of those Directors who stand for re-election at the Annual General Meeting are set out in Appendix of this Notice.
8. In relation to Resolution No. 3 in this Notice, it is proposed that a sum not exceeding HK\$3,000,000 be paid as fees to the Directors of the Company, such sum to be divided between the Directors of the Company in such ways as may be determined by the Board of Directors. The executive Directors of the Company are paid in accordance with their remuneration packages and in such sums as determined by the Board of Directors.
9. In relation to Resolution Nos. 5 and 6, the Directors wish to state that they have no immediate plan to issue any new shares of the Company. The general mandate is being sought from the shareholders in compliance with the Companies Ordinance and the Listing Rules.
10. In relation to Resolution No. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the Company. The explanatory statement containing the information relating to the repurchase of shares, as required by the Listing Rules, is set out in Appendix II of the circular of the Company dated 27 June 2017.

11. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:00 p.m. on 28 July 2017 and/or the Hong Kong Observatory has announced at or before 1:00 p.m. on 28 July 2017 that either of the above mentioned warnings is to be issued within the next two hours, the Annual General Meeting shall automatically be postponed to the next Business Day on which no “black” rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:00 p.m. to 3:00 p.m. and in such case the Annual General Meeting shall be held at 3:00 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong. “Business Day”, in this context, shall mean a day (not being Saturday, Sunday or public holiday) on which banks in Hong Kong generally are open for business.

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

(*Chief Executive Officer*)

Mr. Chow Tat Kuen, Royston

(*Chief Financial Officer*)

Independent Non-executive Directors:

Mr. Wong Chi Hong, Frank

Dr. Lee Ka Yam, Danny

Dr. Bradley Jay Hamm

APPENDIX – DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

Pursuant to articles 84 and 85, Mr. Ip Yut Kin (“Mr. Ip”) and Mr. Cheung Ka Sing, Cassian (“Mr. Cheung”) shall retire at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting. Their biographical details are as follows:

Mr. Ip Yut Kin, aged 65, has been the non-executive Chairman of the Group and a non-executive Director of the Company since June 2016. Prior to the aforesaid appointment, he was an executive Director of the Company and the Chief Executive Officer – Print Media to oversee the Group’s newspapers, magazines and print operations in both Hong Kong and Taiwan, as well as the Publisher of *Apple Daily*. Before he joined the Group, Mr. Ip worked with many leading Hong Kong newspapers during a long journalistic career that spanned more than 30 years. He is a graduate of the National Chengchi University of Taiwan with a Bachelor of Social Sciences (Journalism) degree.

Other than in his capacity as a non-executive Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Ip is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Ip also did not hold any directorship in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Ip had a personal interest and a family interest in a total of 12,830,377 Shares and a derivative interest in respect of 2,500,000 Shares, representing 0.528% and 0.103% of the total issued Shares of the Company respectively.

Mr. Ip does not have a service contract with the Company. He has been appointed as a non-executive Director for a fixed term expiring on 7 June 2018, subject to the provisions relating to re-election and retirement by rotation at annual general meeting as stipulated in the Articles of Association. Mr. Ip is entitled to receive a Director’s fee per annum, as may be reviewed by the Remuneration Committee and approved by the Board with reference to his responsibilities and prevailing market practices subject to authority being granted by the Shareholders at the Annual General Meeting. Mr. Ip received a Director’s fee of HK\$200,000 for the year ended 31 March 2017.

Save as disclosed above, there is no information relating to Mr. Ip which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Cheung Ka Sing, Cassian, aged 62, has been a Director of the Company since November 2008. He has been re-designated as Chief Executive Officer of the Group from October 2011. Mr. Cheung is responsible for formulation of the Group's strategies, and leads the management and operation units to achieve goals set by the Board. He has also been appointed as the Interim Chairman of the Group with effect from 12 December 2014 and then resigned as the Interim Chairman on 8 June 2016.

Mr. Cheung started his career with Nestle in the U.S.A. and had held various senior management positions in Quaker Oats and Wal-Mart. He is currently an independent non-executive director of Trinity Limited, a company listed on The Stock Exchange of Hong Kong Limited.

Mr. Cheung is a member of the Global Advisory Board of the Kellogg School of Management of Northwestern University, U.S.A., and an advisory member of the Global Business program of the Business School of the Hong Kong University of Science and Technology. He attended universities in the U.S.A. and received a Master of Management degree from the Northwestern University Kellogg School of Management and an honorary degree of Doctor of Humane Letters from Saint Joseph's College, Indiana, U.S.A.

Other than in his capacity as a Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Cheung is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. Cheung also did not have directorship held in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Cheung has a personal interest in 18,172,000 Shares and a derivative interest in respect of 34,000,000 Shares, representing approximately 0.747% and 1.398% of the total issued Shares of the Company respectively. Mr. Cheung also has a derivative interest in respect of 50,000 shares and 50,000 shares, representing 0.50% and 0.49% in the total issued shares of nxTomo Ltd. and nxTomo Games Limited respectively, both being the wholly-owned subsidiaries of the Company.

Mr. Cheung has a service contract with Next Media Management Services Limited, a wholly-owned subsidiary of the Company for a fixed term of two years which will expire on 31 January 2018. Pursuant to his service contract, Mr. Cheung is entitled to receive a monthly salary of HK\$321,700 on a 14-month basis and certain allowances. He is also entitled to senior executive incentive bonus pegged to performance and CEO bonus pegged to the total market capitalization of the Company. Such emoluments are determined with reference to his job responsibilities, the Group's performance and profitability as well as remuneration benchmark in the industry.

In addition, he is entitled to receive a Director's fee per annum, subject to the review by the Remuneration Committee and the approval by the Board, with reference to his responsibilities and prevailing market practices subject to an authority being granted by the Shareholders at the Annual General Meeting. Mr. Cheung received emoluments including salaries and other benefits in the total amount of HK\$5,887,774 and a Director's fee of HK\$260,000 for the year ended 31 March 2017.

Save as disclosed above, there is no information relating to Mr. Cheung which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.