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Paramount Publishing Group Limited

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

This announcement is to clarify a newspaper article (the "Article") in respect of the possible injection of appledaily.com.hk website into Paramount Publishing Group Limited (the "Company") and the substantial amount of trading volume transacted today.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited to clarify certain statements made in the Article in respect of the possible injection of appledaily.com.hk website into the Company (the "Injection") and the substantial amount of trading volume transacted today.

The Board of Directors of the Company (the "Board") would like to clarify that at the stage of finalizing the Prospectus of the Company dated 30th September, 1999 (the "Prospectus"), Next Media International Holdings Limited ("Next") has no intention to acquire Apple Daily or its website and to inject the same into the Company.

Following Next's takeover of the Company, the Board understands that Next has been recently approached by a number of merchant banks who have presented various proposals regarding (but not limited to) the Injection in view of the fact that the Company is also engaged in web business.

The Board has been informed by Next that, in the interests of the Company and its minority shareholders, it will remain open-minded on the feasibility of these proposals and suggestions, and currently it is only at the stage of proposal evaluation and consideration. The Board considers it not uncommon for listed companies or its controlling shareholders to be approached and presented with investment proposals, any evaluation of which may or may not result in any transaction. As such, the Board would like to advise that no decision has been made by Next as to whether or not to undertake any of the proposals presented.

The Board also noted that intention statements have been made in the Prospectus read as follows: "Next does not intend to inject further assets into Paramount, because any such further injection of Next's assets is not considered by Next to be of strategic importance to the Enlarged Paramount's long term plan. Mr. Lai has no intention of injecting any of his businesses mentioned above other than the New Businesses into Paramount". Despite such intention statements, given the recent rapid changes and sentiment taken place in the market towards technology and internet related

businesses following the issue of the Prospectus in late September, 1999, the Board believes that Next may have reconsidered its intention in the context of the interests of the Company. Further announcement will be made as and when appropriate.

Save as disclosed above, the Board confirms that it is not aware of any matter discloseable under Chapter 14 of the Listing Rules, or under the general obligation imposed by Paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

By Order of the Board
Janis Lee Yuen Mei
Company Secretary

Hong Kong, 12th January, 2000

Please also refer to the published version of this announcement in the South China Morning Post on 13-01-2000.