

PARAMOUNT<0282> - Announcement & Resumption of Trading

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Paramount Publishing Group Limited

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

Decision of not to proceed with a proposed placing and subscription of shares

This announcement is made in response to today's press articles relating to a proposed top-up placing (the "Placing") of shares (the "Shares") in Paramount Publishing Group Limited (the "Company").

The board of directors (the "Board") of the Company confirms that the decision has been taken by the Company not to proceed with the Placing or any other fund raising exercise at the present time, pending the outcome of further discussions with its advisers and the regulatory authorities as to the Company's capacity to raise additional capital.

The Board confirms that the Company has decided not to proceed with the Placing or any other fund raising exercise at the present time. In light of the Company's newly-listed status, the capacity and means of raising additional capital are more limited under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") than for more established listed companies.

However, the Company will continue to explore the possibility of raising further finance, subject to full compliance with (or, with the permission of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), appropriate waivers from) the Listing Rules and suitable market conditions. A further announcement will be made in this regard as and when appropriate.

The decision not to proceed with the Placing will neither disrupt the Company's ability to conduct business as normal nor restrict its pursuit of appropriate strategies for expansion, including as to the development of its internet business and the proposed acquisition (the "Proposed Acquisition") of the appledaily.com.hk website from Apple Daily Limited on favourable commercial terms to the Company. In addition, the Board wishes to advise that further to the announcement made by the Company on January 13, 2000 relating to the Proposed Acquisition, the negotiations for such acquisition continue positively, although no agreement has yet been entered into. A further announcement will be made by the Company in this regard as and when appropriate.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 10:00 a.m. on January 26, 2000, pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 10:00 a.m. on January 27, 2000.

By Order of the Board
Janis Lee Yuen Mei
Company Secretary

Hong Kong, January 26, 2000

Please also refer to the published version of this announcement in the South China Morning Post on 27-01-2000.