

NEXT MEDIA LIMITED

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NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTIONS

Subsidiaries of the Company entered into production agreements with Next Media Group Management Limited, an associate of Mr. Lai, the Chairman, an executive director and the substantial shareholder of the Company.

The transactions contemplated under the production agreements constitute connected transactions for the Company and are discloseable by way of press announcement under the Listing Rules.

Production Agreements dated 19th April, 2000.

Parties:

Subsidiaries of the Company : Easy Finder Limited, Easy Finder Marketing Limited and Next Media Interactive Limited, all of which are wholly-owned subsidiaries of Next Media Limited (the "Company")

Contractor : Next Media Group Management Limited, a company indirectly owned as to approximately 83% by Mr. Lai Chee Ying, Jimmy ("Mr. Lai"), the Chairman, an executive director and a substantial shareholder of the Company

Services provided and to be

provided by Contractor : the pre-production output and scanning services in respect of the Publications, including:

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- a. scanning of photographs;
- b. page layout; and
- c. outputting of positive production film

Publications : EASY FINDER (壹本便利), TRADING EXPRESS (二手 GUIDE) and AUTO EXPRESS (搵車快線), weekly periodicals distributed mainly in Hong Kong and On-line contents published by Next Media Interactive Limited

Term : 1 year from 20th October, 1999

the date when the Company completed the acquisition of Easy Finder Limited and Next Media Interactive Limited from Mr. Lai and his associates

Aggregated charges incurred from

20th October, 1999 up to 29th February, 2000 : HK\$993,981
(based on invoices received)

Expected charges for the contract period

(based on charges incurred for the period from
20th October, 1999 to 29th February, 2000) : not exceeding HK\$4,000,000

Payment Term: within 1 month of invoice date

Connected Transactions

The transactions contemplated under the above agreements constitute connected transactions for the Company and are discloseable under Rule 14.25(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") based on the expected charges for the term of the agreements.

The charges are arrived at after arm's length negotiation with reference to the prevailing market charge for similar services. The same charge scale will be applicable to the rest of the term of the agreements.

In the event that during the course of the 1 year term, the aggregate consideration payable by the

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Subsidiaries to the Contractor exceeds HK\$10,000,000, the relevant rules of the Listing Rules will be strictly complied with. Based on charges incurred by the Subsidiaries for the period from 20th October, 1999 up to 29th February, 2000, the directors do not anticipate that the aggregate consideration payable will exceed the above threshold.

Reasons and benefit of the Transactions

Given that it is in the ordinary and usual course of business of the Subsidiaries of the Company to outsource production house for the Services and the rates chargeable by the Contractor for the Services are not less favourable than terms available from and to third parties as at the date of the agreements, the directors of the Company (including its independent non-executive directors) are of the view that the terms of the agreements are fair and reasonable so far as the shareholders of the Company are concerned.

General

The Company and its subsidiaries are engaged in the printing and publication of magazines, operating web-sites and the provision of other Internet-related services.

Further details of the transactions will be disclosed in the next annual report of the Company.

By Order of the Board
Janis Lee Yuen Mei
Company Secretary

Hong Kong, 20th April, 2000

Please also refer to the published version of this announcement in the South China Morning Post on 25-04-2000.