

NEXT MEDIA LIMITED

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NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

This announcement is to clarify certain news in respect of the closure of websites and the streamlining of workforce employed in the Apple Daily Online/Next Media websites.

This announcement is made at the request of the Stock Exchange of Hong Kong Limited.

The Company refers to certain news published in certain news websites on the internet this afternoon in respect of the closure of websites and the streamlining of workforce employed in the websites currently operated by Apple Daily Online Limited and Next Media Interactive Limited ("Apple Daily Online/Next Media websites"), both are wholly-owned subsidiaries of Next Media Limited (the "Company").

The directors of the Company (the "Directors") would like to clarify that the news is not completely true and accurate. The streamlining of workforce involves the lay off of a total of 90 staff employed in the Apply Daily Online/Next Media websites. The 90 staff mainly worked for the websites closed and are from design, content development and production departments. The cost of severance payment amounts to approximately HK\$3.9 million. The total workforce of the Apply Daily Online/ Next Media websites will be reduced to 86. The streamlining would enable the Company to save approximately HK\$3 million in personnel related cost per month.

The Directors believe that the streamlining would better utilize the Company's resources of the online business. Whilst most of the major and popular websites will be maintained, 11 less popular websites as listed below will be closed in due course : -

nexttraveler.com	nexteat.com	nextphoto.com	nexttvguide.com
nextmovie.com	nextparenting.com	nextcard.com	tech.atnext.com*
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e-china-town.com news update site* showbiz/entertainment site*

* websites acquired from Apple Daily Online Limited ("ADOL") in July, 2000

The websites which will be closed are not frequently visited and have generated minimal revenue. According to the 2000 Annual Report and the latest published circular regarding the acquisition of ADOL by the Company, the pro-forma combined turnover of the Group's online business represented approximately 2.3% of the overall pro-forma combined turnover for the year ended March 31, 2000 of the Group assuming the acquisition of ADOL take place in the beginning of that year. After the closing of the 11 websites, there are remaining 14 websites under operation. The Directors believe that the closing of these websites and the streamlining of workforce would have minimal impact on the revenue and operations of the Company's online business and the overall business of the Group.

By Order of the Board
Janis Lee Yuen Mei
Company Secretary

Hong Kong, October 31, 2000

Please also refer to the published version of this announcement in the i Mail dated 1/11/2000.