

NEXT MEDIA LIMITED

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

Connected Transactions

Three subsidiaries of the Company have renewed the 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 Replacement Production Agreements constitute connected transactions for the Company and are discloseable by way of press announcement under the Listing Rules.

Replacement Production Agreements dated 23rd January, 2001

Parties:

Subsidiaries of the Company : Easy Finder Limited, Easy Finder Marketing Limited and Next Media Interactive Limited, all are 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 to be provided by Contractor : the pre-production output and scanning services in respect of the Publications, including:

- 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, 2000

Expected charges for the contract period : Not exceeding HK\$4,000,000

Payment Term : Within 1 month of invoice date

Connected Transactions

The Contractor entered into production agreements dated 19th April, 2000 (“Original Production Agreements”) with the Subsidiaries of the Company for the provision of the Services for a term of one year from 20th October, 1999 which expired on 19th October 2000. Accordingly, replacement production agreements (“Replacement Production Agreements”) have been entered into with terms being the same as those of the Original Production Agreements. The charges incurred by the Subsidiaries for the Services for the period from 20th October, 2000 to 31st December, 2000 was approximately HK\$490,000.

The Replacement Production Agreements were negotiated and entered into on an arm’s length basis and were based on normal commercial terms. The charges payable to the Contractor under the Replacement Production Agreements were arrived at by reference to the prevailing market charges for similar services.

The transactions contemplated under the Replacement Production 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.

In the event that during the course of the one year term starting 20th October, 2000, the aggregate consideration payable by the Subsidiaries to the Contractor exceeds HK\$10,000,000, the relevant rules of the Listing Rules will be strictly complied with. Based on the charges incurred by the Subsidiaries during the one year period from 20th October 1999 to 19th October 2000 which was approximately HK\$3.3 million, the directors of the Company 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 and operation of web-sites.

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, 23rd January, 2001

NEXT MEDIA LIMITED

Please also refer to the published version of this announcement in the i Mail dated 29/1/2001.