

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

The Board announces that a wholly-owned subsidiary of the Company has renewed the printing agreements with certain associates of Mr. Lai, the Chairman, an executive director and the substantial shareholder of the Company.

The transactions contemplated under the Replacement Printing Agreements constitute connected transactions for the Company and require disclosure by way of press announcement pursuant to Chapter 14.25(1) of the Listing Rules.

The board of directors (the "Board") of Next Media Limited (the "Company") announces that replacement printing agreements (the "Replacement Printing Agreements") were entered into on July 16, 2001 between Paramount Printing Company Limited and Next Media (Holdings) Limited and Apple Daily Limited.

Replacement Printing Agreements dated July 16, 2001

Parties : Paramount Printing Company Limited, a wholly-owned subsidiary of the Company (the "Contractor");

Apple Daily Limited, indirectly owned as to approximately 92% by Mr. Lai Chee Ying, Jimmy ("Mr. Lai"), the Chairman,

an executive director and the substantial shareholder of the Company, and Next Media (Holdings) Limited, indirectly owned as to approximately 83% by Mr. Lai (together, the "Customers")

- Services to be provided
by the Contractor : Printing of the Documents
- Documents to be printed : Means pamphlets, newsletters, dairy, booklets, leaflets, books, catalogue, supplements or such other printed matters as the Customers may require from time to time
- Term : 1 year from April 1, 2001
- Expected aggregate charges
for the contract period : Not exceeding HK\$8,000,000
- Payment Term : Within 90 days of invoice date

Connected Transactions

The Contractor entered into printing agreements dated September 22, 2000 ("Original Printing Agreements") with the Customers for the provision of the Services for a term of one year from April 1, 2000 which expired on April 1, 2001. Accordingly, the Replacement Printing Agreements have been entered into with all the terms being the same as those of the Original Printing Agreements except that the charges for the Services to be provided were made with reference to prevailing market charges for similar services. The charges received by the Contractor for the Services provided for the period from April 1, 2001 to June 30, 2001 was approximately HK\$200,000, representing approximately 0.3% of the Company's latest net tangible assets value (as disclosed in the Company's 2000/2001 interim results and taking into account the loss of HK\$38.4 million as a result of the termination of the Shareholders' Agreement in relation to Igloo Finance Ltd. as announced by the Company on December 18, 2000). As the Contractor has provided printing services to the Customers since the expiry of the Original Printing Agreements on April 1, 2001, the term of the Replacement

Printing Agreements commenced with effect from April 1, 2001.

The Replacement Printing 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 Printing Agreements were arrived at by reference to the prevailing market charges for similar services. The directors have also taken into account the size of the printing jobs and the lead time required for the printing jobs when the Replacement Printing Agreements were entered into.

The transactions contemplated under the Replacement Printing Agreements constitute connected transactions for the Company and require disclosure 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 aggregate charges for the term of the agreements of HK\$8,000,000.

In the event that during the course of the one year term starting April 1, 2001, the aggregate consideration payable by the Customers to the Contractor exceeds HK\$10,000,000, the relevant provisions under Chapter 14 of the Listing Rules will be strictly complied with.

Reasons and benefit of the Transactions

Given that printing is a principal business of the Company and its subsidiaries (the "Group") and the printing charges which the Contractor can charge the Customers under the Replacement Printing Agreements are not less favourable than it charges independent third parties as at the date of the Replacement Printing Agreements and having considered the size of the printing jobs and the lead time required for the printing jobs, the directors of the Company (including independent non-executive directors) are of the view that the Replacement Printing Agreements are fair and reasonable so far as the shareholders of the Company are concerned.

General

The Group is 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
Company Secretary

Hong Kong, July 16, 2001

"Please also refer to the published version of this announcement in the Hong Kong i-mail on 17-07-2001"