

NEXT MEDIA LIMITED

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NEXTmedia

NEXT MEDIA LIMITED

(the "Company")

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

The directors of the Company (the "Directors") noted that certain newspapers recently reported that Mr. Lai Chee Ying, Jimmy ("Mr. Lai"), the chairman, an executive director and the controlling shareholder of the Company, has disclosed certain price sensitive information in connection with the performance of the Company and its subsidiaries (the "Group") to the media. The Directors take the view that the information given by Mr. Lai does not constitute any price sensitive information required to be disclosed under paragraph 2 of the Listing Agreement. **The Stock Exchange of Hong Kong Limited (the "Stock Exchange") is of the view that the above may constitute a breach by the Company of its obligations under paragraph 2 of the Listing Agreement. The Stock Exchange has advised the Company that it reserves the right to take appropriate action against the Company and/or its directors regarding such breach of the Listing Rules.**

The Directors noted that certain newspapers recently reported that Mr. Lai, the chairman, an executive director and the controlling shareholder of the Company, has disclosed certain price sensitive information in connection with the performance of the Group to the media.

In response to these reports, the Directors would like to clarify that such information was given by Mr. Lai when he was, upon invitation, being interviewed by certain press. During the interviews, Mr. Lai told the press the investments of the Group in Taiwan and the recent performance of, and his expectation in the future sales of up to 300,000 copies of, Next Magazine in Taiwan in the coming four to six months' period. Mr. Lai also mentioned to the press his expected future plan for the development of Apple Daily in Taiwan, that he intended to invest an amount of approximately NT\$5,000 million (approximately HK\$1,250 million) in the development of Apple Daily in Taiwan over the next three years and that the Group is expected

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to generate approximately NT\$2,000 million (approximately HK\$500 million) each year to finance such future developments. Save as disclosed above, no other material information has been disclosed to the press.

The Directors would like to emphasize that such information is Mr. Lai's personal expectation and an expression of his confidence in the prospects of the business of the Group in Taiwan and that the amounts to be invested by the Group in the pursuit of its business in Taiwan are yet to be determined. The Directors take the view that the information given by Mr. Lai during the interviews does not constitute any price sensitive information required to be disclosed under paragraph 2 of the Listing Agreement. **The Stock Exchange is of the view that the above may constitute a breach by the Company of its obligations under paragraph 2 of the Listing Agreement. The Stock Exchange has advised the Company that it reserves the right to take appropriate action against the Company and/or its directors regarding such breach of the Listing Rules.**

The Directors confirm that they will keep the Stock Exchange informed of future significant developments of the business of the Group in Taiwan, and once any disclosure requirements have arisen under the Listing Rules (whether under paragraph 2 of the Listing Agreement or otherwise), they will ensure that the Company complies with those requirements.

By Order of the Board
Chow On Kiu, Andrew
Director

Hong Kong, 27 December 2001

Please also refer to the published version of this announcement in the Hong Kong iMail Post dated 28 December 2001.