

NEXT MEDIA LIMITED

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NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

The Board is pleased to announce certain details regarding the development of the newspaper business of the Group in Taiwan. As part of such development, on 2nd May, 2002, a subsidiary of the Company entered into an agreement with an independent third party for the purchase of certain printing equipment in preparation for launching the Group's newspaper business in Taiwan. On the same date, that same subsidiary entered into a separate agreement with another independent third party for the acquisition of a piece of land in Taiwan.

In mid-April, 2002, the Group also entered into separate agreements with another independent third party for the purpose of acquiring building premises as its headquarters in Taiwan for the development of Taiwan Next Magazine and the development of its newspaper business in Taiwan.

The board of directors (the **Board**) of Next Media Limited (the **Company**) is pleased to announce that, as one of the principal business strategies and future business pursuits of the Company and its subsidiaries (the **Group**), it has decided that, in addition to its magazine business in Taiwan, it will expand into the newspaper business there by launching *Taiwan Apple Daily*. It is expected that the Group will launch *Taiwan Apple Daily* in 2003.

It has been the Group's intention to expand and develop its publishing business (including the magazine and newspaper businesses) in Taiwan, a market which the Board believes has good potential and room for development of such publishing business. Following the launch of *Taiwan Next Magazine* which, according to an independent research report for the period from July to December 2001, has attained the leading position by number of readership in Taiwan, the Board considers that it is an appropriate time for the Group to launch and develop *Taiwan Apple*

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Daily. It is expected that the launch of *Taiwan Apple Daily* will benefit the Group and contribute to its long-term growth.

As part of the development of this project, on 2nd May, 2002, Apple Daily Publication Development Limited ("**Apple Daily Publication**"), a wholly-owned subsidiary of the Company, entered into an agreement with a third party, which is independent of, and not connected with, the Company, its subsidiaries or any of their chief executives, directors or substantial shareholders or any associates of any of them, for the purchase of certain printing equipment in preparation for launching the Group's newspaper business in Taiwan. The purchase price, which was determined after arm's length negotiation with reference to the market value of the printing equipment concerned, will be financed by way of internal resources of the Group.

On the same date, Apple Daily Publication entered into an agreement with another third party independent of, and not connected with, the Company, its subsidiaries or any of their chief executives, directors or substantial shareholders or any associates of any of them, pursuant to which Apple Daily Publication has agreed to acquire from such independent third party all interests, rights and benefits in and upon a piece of land in Taipei, Taiwan, including all buildings and fixtures thereon. The consideration, which was determined after arm's length negotiation with reference to the market value of the land concerned, is expected to be financed by way of internal resources of the Group. It is currently intended that the Group will set up the printing factory of *Taiwan Apple Daily* over this piece of land.

In mid-April, 2002, the Group also entered into separate agreements with another independent third party for the purpose of acquiring building premises as its headquarters in Taiwan for the development of *Taiwan Next Magazine* and the proposed development of its newspaper business in Taiwan. Each of the transactions entered into by the Group and mentioned herein is for different purposes and was entered into by the Group with different counter-parties. Based on the above, the Board confirms that none of these transactions constitutes a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Board further confirms that if any disclosure and/or shareholders' approval requirements arises under the Listing Rules or the Listing Agreement relating to the development of the Group's newspaper business in Taiwan, it will ensure that the Company complies with such requirements.

By Order of the Board

Janis Lee

Company Secretary

Hong Kong, 2nd May, 2002

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Please also refer to the published version of this announcement in the Hong Kong iMail Post dated 3/5/2002