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PARAMOUNT PUBLISHING GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

This announcement is to clarify some statements appearing in various newspaper articles today relating to the placing of shares of Paramount Publishing Group Limited by Yu Ming Investment Management Limited.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") to clarify some statements appearing in various newspaper articles today. The newspaper articles stated that Yu Ming Investment Management Limited ("Yu Ming") intends to place shares of Paramount Publishing Group Limited (the "Company") (the "Shares") at a price higher than HK\$0.20 per Share (the "Placing").

As stated in the prospectus of the Company despatched to its shareholders on 30th September, 1999 (the "Prospectus"), Yu Ming would place 480,000,000 new Shares (the "Placing Shares") to professional, institutional and individual investors at HK\$0.20 per Placing Share and underwrite the 150,000,000 new Shares (the "Underwritten Shares") reserved for the employees of Next Media International Holdings Limited at HK\$ 0.20 per Underwritten Share pursuant to the placing agreement entered into between, inter alia, the Company and Yu Ming on 29th September, 1999 (the "Placing Agreement"). Terms of the Placing Agreement have not been amended.

The Company has been notified by Yu Ming that the Placing Shares have been fully placed out at HK\$0.20 per Placing Share in accordance with the Placing Agreement.

The Placing Agreement is still conditional upon satisfaction of a number of conditions, including approval of the independent shareholders of the Company and approval by the Listing Committee of the Stock Exchange in relation to the permission to deal in and listing of the Placing Shares and the Underwritten Shares. It is expected that share certificates for the Placing Shares and the Underwritten Shares will be despatched on 25th October, 1999.

The Company has been informed by Seapower International Holdings Limited ("SIH") and Seapower Resources International Limited ("SRI"), the substantial shareholders of the Company, that SIH and SRI are not involved in the Placing. Neither is the Company involved in the Placing.

No new Shares will be issued other than those disclosed in the Prospectus. As the Placing was not conducted pursuant to the Placing Agreement, the Company cannot comment on the sources of the Shares mentioned in the newspaper articles.

Investors are advised to exercise extreme caution in dealing in the Shares.

By Order of the Board
Paramount Publishing Group Limited
Vincent Cheung Wing Hung
Director

Hong Kong, 9th October, 1999.

Please also refer to the published version of this announcement in the Hong Kong Standard on 11-10-1999.