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NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

CONTINUING CONNECTED TRANSACTIONS

On 29 April 2011, Next TV, an indirect wholly owned subsidiary of the Company, entered into the Lease Agreement with the Taiwan Branch of Best Combo, a company 100% beneficially owned by Mr. Lai, an executive Director, the Chairman and the controlling Shareholder of the Company, pursuant to which the Taiwan Branch of Best Combo agreed to lease the Properties to Next TV for a term of 35 months from 1 May 2011 to 31 March 2014 (both days inclusive).

On 21 February 2011, the Taiwan Branch of ADPDL, an indirect non-wholly owned subsidiary of the Company, entered into the Car Parking Spaces Lease Agreement with the Taiwan Branch of Best Combo, pursuant to which the Taiwan Branch of Best Combo agreed to lease the Car Parking Spaces to the Taiwan Branch of ADPDL for a term of one year from 15 April 2011 to 14 April 2012 (both days inclusive).

As Best Combo is 100% beneficially owned by Mr. Lai, an executive Director, the Chairman and the controlling Shareholder of the Company holding 1,786,133,165 Shares as at the date of this announcement, representing approximately 74.04% of the total issued Shares, Best Combo is an associate of Mr. Lai and therefore a connected person of the Company. Accordingly, the Lease Agreement and the Car Parking Spaces Lease Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As each of the percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules in respect of the rental payable under the Lease Agreement is less than 5%, the Lease Agreement is subject to the reporting and announcement requirements, and the annual review requirements under Rule 14A.34 of the Listing Rules and is exempt from the independent Shareholders' approval requirement.

As each of the percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules in respect of the rental payable under the Car Parking Spaces Lease Agreement is less than 0.1%, the Car Parking Spaces Lease Agreement on a standalone basis is exempt from the reporting, announcement and independent Shareholders' approval requirements.

Even if the continuing connected transactions under the Car Parking Spaces Lease Agreement and the Lease Agreement are required to be aggregated pursuant to Rule 14A.25 of the Listing Rules, the applicable percentage ratios (other than the profits ratio) in respect of the continuing connected transactions under the Car Parking Spaces Lease Agreement and the Lease Agreement, on an aggregate basis, are less than 5% and both the Car Parking Spaces Lease Agreement and the Lease Agreement are exempt from the independent Shareholders' approval requirement.

LEASE AGREEMENT

On 29 April 2011, Next TV, an indirect wholly owned subsidiary of the Company, entered into the Lease Agreement with the Taiwan Branch of Best Combo, a company 100% beneficially owned by Mr. Lai, an executive Director, the Chairman and the controlling Shareholder of the Company, in respect of the Properties.

The principal terms of the Lease Agreement are set out below:

| | |
|-------------------|--|
| Date | 29 April 2011 |
| Parties | (1) Taiwan Branch of Best Combo (as landlord); and (2) Next TV (as tenant) |
| Properties | The building with a total floor area of approximately 12,211.46 square meters located at No.18, Lane 146, Xihu 2nd Road, Neihu District, Taipei City, Taiwan (台灣台北市內湖區新湖二路146巷18號) |
| Term | The Lease Agreement shall be for a term of 35 months from 1 May 2011 to 31 March 2014 (both days inclusive). |
| Rental | NT\$2,819,730 per month (exclusive of tax) (equivalent to approximately HK\$763,678). Next TV will enjoy a one-month rent free period from 1 May 2011 to 31 May 2011. Commencing from 1 June 2011, the monthly rental shall be payable on the first day of each month in advance. |
| Deposit | Next TV is required to pay a deposit of NT\$8,459,190 (exclusive of tax) (equivalent to approximately HK\$2,291,040) as guarantee of its performance of obligations under the Lease Agreement. Such deposit will be refunded to Next TV without interest upon expiry of the Lease Agreement. |

ANNUAL CAPS

The table below sets out the maximum cap for the rental payable by Next TV for each of the periods of the Lease Agreement:

| Period | Annual Cap |
|------------------------------------|--|
| From 1 May 2011 to 31 March 2012 | NT\$28,197,300 (equivalent to approximately HK\$7,636,780) |
| From 1 April 2012 to 31 March 2013 | NT\$33,836,760 (equivalent to approximately HK\$9,164,140) |
| From 1 April 2013 to 31 March 2014 | NT\$33,836,760 (equivalent to approximately HK\$9,164,140) |

The annual caps for each of the periods of the Lease Agreement are determined by reference to the monthly rental payable by Next TV under the Lease Agreement.

CAR PARKING SPACES LEASE AGREEMENT

On 21 February 2011, the Taiwan Branch of ADPDL, an indirect wholly-owned subsidiary of the Company, entered into the Car Parking Spaces Lease Agreement with the Taiwan Branch of Best Combo, a company 100% beneficially owned by Mr. Lai, an executive Director, the Chairman and the controlling Shareholder of the Company, in respect of the Car Parking Spaces.

The principal terms of the Car Park Lease Agreement are set out below:

| | |
|-------------------|--|
| Date | 21 February 2011 |
| Parties | (1) Taiwan Branch of Best Combo (as landlord); and (2) Taiwan Branch of ADPDL (as tenant) |
| Properties | The seven pieces of land with a total floor area of approximately 4,203.04 square feet located at Lots. 4-5, 4-6, 4-7, 4-8, 4-9, 4-20, 4-21, Jiuzong, Neihu District, Taipei City, Taiwan (台灣台北市內湖區舊宗段4-5, 4-6, 4-7, 4-8, 4-9, 4-20, 4-21地號) |
| Term | The Car Parking Spaces Lease Agreement shall be for a term of one year from 15 April 2011 to 14 April 2012 (both days inclusive). |
| Rental | NT\$200,000 per month (inclusive of business tax) (equivalent to approximately HK\$54,170). |

REASONS FOR, AND BENEFITS OF, THE LEASE AGREEMENT AND THE CAR PARKING SPACES LEASE AGREEMENT

Next TV is the licence holder and operator of the Group's television and broadcasting business in Taiwan. ADPDL is engaged in publication and selling of newspaper and selling of newspaper advertising space in Taiwan. The principal business activity of Best Combo is investment holding.

As Next TV is engaged in television and broadcasting business in Taiwan, it is necessary to locate suitable premises in Taiwan for its use as television program production base and offices. The design of the Properties is accommodated to the technical requirement for television broadcasting operation and is suitable for Next TV for its television program production purposes. The Car Parking Spaces are conveniently located near the offices premises of the Taiwan Branch of ADPDL and are suitable as parking lots for its vehicles used in its ordinary course of business and for its staff. The rentals under the Lease Agreement and the Car Parking Spaces Lease Agreement were determined after arm's length negotiations with reference to the prevailing market rates of comparable premises and car parking spaces at Neihu District, Taipei in Taiwan, the Board (including the independent non-executive Directors) was of the view that the Lease Agreement and the Car Parking Spaces Lease Agreement were entered into on normal commercial terms in the ordinary and usual course of business of the Group, and that the terms of the Lease Agreement including the annual caps and the terms of the Car Parking Spaces Lease Agreement are fair and reasonable and the Lease Agreement and the Car Parking Spaces Lease Agreement are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As Best Combo is 100% beneficially owned by Mr. Lai, an executive Director, the Chairman and the controlling Shareholder of the Company holding 1,786,133,165 Shares as at the date of this announcement, representing approximately 74.04% of the total issued Shares, Best Combo is an associate of Mr. Lai and therefore a connected person of the Company. Accordingly, the Lease Agreement and the Car Parking Spaces Lease Agreement constitute continuing connected transactions of the Company under the Listing Rules. Mr. Lai, who has a material interest in the continuing connected transactions, abstained from voting on the board resolutions which approved the terms of the Lease Agreement and the Car Parking Spaces Lease Agreement, the transactions contemplated thereunder and the annual caps for the rental payable by Next TV under the Lease Agreement.

As each of the percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules in respect of the rental payable under the Lease Agreement is less than 5%, the Lease Agreement is subject to the reporting and announcement requirements, and the annual review requirements under Rule 14A.34 of the Listing Rules and is exempt from the independent Shareholders' approval requirement.

As each of the percentage ratios (other than the profits ratio) calculated in accordance with the Listing Rules in respect of the rental payable under the Car Parking Spaces Lease Agreement is less than 0.1%, the Car Parking Spaces Lease Agreement on a standalone basis is exempt from the reporting, announcement and independent Shareholders' approval requirements.

Even if the continuing connected transactions under the Car Parking Lease Agreement and the Lease Agreement are required to be aggregated pursuant to Rule 14A.25 of the Listing Rules, the applicable percentage ratios (other than the profits ratio) in respect of the continuing connected transactions under the Car Parking Spaces Lease Agreement and the Lease Agreement, on an aggregate basis, are less than 5% and both the Car Parking Spaces Lease Agreement and the Lease Agreement are exempt from the independent Shareholders' approval requirement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

- “ADPDL” Apple Daily Publication Development Limited, a private company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company;
- “Best Combo” Best Combo Limited, a private company incorporated in Hong Kong with limited liability and 100% beneficially owned by Mr. Lai, who is an executive Director, the Chairman and the controlling Shareholder of the Company;
- “Board” the board of directors of the Company;
- “Car Parking Spaces” the seven pieces of land with a total floor area of approximately 4,203.04 square feet located at Lots. 4-5, 4-6, 4-7, 4-8, 4-9, 4-20, 4-21, Jiuzong, Neihu District, Taipei City, Taiwan (台灣台北市內湖區舊宗段4-5, 4-6, 4-7, 4-8, 4-9, 4-20, 4-21地號);

| | |
|--------------------------------------|--|
| “Car Parking Spaces Lease Agreement” | the car parking spaces lease agreement dated 21 February 2011 entered into between the Taiwan Branch of Best Combo as the landlord and the Taiwan Branch of ADPDL as the tenant in respect of the Car Parking Spaces; |
| “Chairman” | the chairman of the Board; |
| “Company” | Next Media Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange; |
| “Director(s)” | the director(s) of the Company; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong Dollars, the lawful currency of Hong Kong; |
| “Lease Agreement” | the lease agreement dated 29 April 2011 entered into between the Taiwan Branch of Best Combo as the landlord and Next TV as the tenant in respect of the Properties; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Mr. Lai” | Mr. Lai Chee Ying, Jimmy, an executive Director, the Chairman and the controlling Shareholder of the Company holding 1,786,133,165 Shares as at the date of this announcement, representing approximately 74.04% of the total issued Shares; |
| “Next TV” | Next TV Broadcasting Limited, a private company incorporated in Taiwan with limited liability and an indirect wholly-owned subsidiary of the Company; |
| “NT\$” | New Taiwan dollars, the lawful currency of Taiwan; |
| “Properties” | the building with a total floor area of approximately 12,211.46 square meters located at No.18, Lane 146, Xinhua 2 nd Road, Neihu District, Taipei City, Taiwan (台灣台北市內湖區新湖二路146巷18號); |
| “Share(s)” | ordinary share(s) of HK\$1.00 each in the capital of the Company; |
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and |
| “Taiwan” | Republic of China. |

In this announcement, the exchange rate of HK\$1.00 to NT\$3.69 is used for reference only.

By order of the Board
Wong Shuk Ha, Cat
Secretary

Hong Kong, 29 April 2011

As at the date of this announcement, the Executive Directors of the Company are Mr. Lai Chee Ying, Jimmy, Mr. Chu Wah Hui, Mr. Cheung Ka Sing, Cassian, Mr. Ting Ka Yu, Stephen and Mr. Ip Yut Kin and the Independent Non-executive Directors of the Company are Mr. Fok Kwong Hang, Terry, Mr. Wong Chi Hong, Frank and Dr. Lee Ka Yam, Danny.