



NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0282)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Pursuant to the judgement handed down by the High Court on 18 January 2008, the default judgement dated 27 June 2007 obtained by UDL Contracting Limited (“UDL”) against Apple Daily Printing Limited (“ADPL”) has been set aside and the proceedings against ADPL have been referred to arbitration.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the announcement of Next Media Limited (the “Company”) dated 3 July 2007 (the “Announcement”). Unless otherwise defined, capitalised terms defined in the Announcement have the same meanings when used in this announcement.

A High Court hearing in relation to the applications to set aside the default judgement obtained by UDL against ADPL and the stay of proceedings to arbitration was heard on 3 January 2008, and the judgement was handed down by the High Court on 18 January 2008 (the “Judgement”). Pursuant to the Judgement, the default judgement dated 27 June 2007 against ADPL has been set aside and the proceedings against ADPL have been referred to arbitration. UDL has been ordered to pay 20% of ADPL’s costs on the application to set aside the default judgement. ADPL also obtained an order for payment of all of its costs in relation to the application for a stay of proceedings to arbitration from UDL.

The Directors maintain that, taking the Indemnity given by Mr. Jimmy Lai in favour of the Group into consideration and in light of the Judgement, any ultimate liability arising from the above proceedings will not have a material impact on the Group’s financial position.

By Order of the Board
Wong Shuk Ha, Cat
Secretary

Hong Kong, 21 January 2008

As at the date of this announcement, the Executive Directors of the Company are Mr. Lai Chee Ying, Jimmy, Mr. Ting Ka Yu, Stephen, Mr. Ip Yut Kin and Mr. Tung Chuen Cheuk and the Independent Non-executive Directors of the Company are Mr. Yeh V-Nee, Mr. Fok Kwong Hang, Terry and Dr. Kao Kuen, Charles.