

**NEXT MEDIA LIMITED ANNOUNCES RESULTS  
FOR YEAR ENDED MARCH 31, 2001**

Next Media Limited ("Next Media") has announced an audited consolidated loss of HK\$145,798,288 on its total turnover of HK\$350,435,557 during the year-ended March 31, 2001. The loss was principally due to its Internet-related business; and it compares with a loss of HK\$78,470,324 during the previous year. However, the highly successful recent launch of Taiwan *Next Magazine*, combined with strong results by its media and printing operations, make the company confident about the future prospects of its well-established off-line businesses.

Announcing the results, Next Media's Chairman, Mr Jimmy Lai Chee Ying, said the company was adversely affected by the collapse of confidence in on-line business during the year under review, and it had taken prompt measures to address the issue.

"Learning from this experience, and in line with the market's changed sentiments, Next Media has focused on trimming the scope of operations and costs of its on-line content provider businesses. We recently evolved a subscription model which, together with advertising and content licensing income, will staunch the losses to the point where this business will substantially improve later this year," Mr Lai commented.

Referring to the company's off-line media and printing businesses, Mr Lai said: "these successful, well-managed operations form the backbone of our company; and we have a proven track record as good innovators and operators in this field."

During the year under review, Next Media's printing operations reversed a three-year trend of losses to make a profit of HK\$19,028,106, compared with last year's loss of HK\$37,075,909. Turnover grew by 25% from HK\$148,552,063 to HK\$186,203,747 as a result of the larger volume of business the company received from Next Media International Holdings Limited ("NMIH"), in respect of printing NMIH's three weekly magazines. These accounted for around 35% of the printing operation's business and contributed a gross profit margin of 59%.

The publishing division made a profit of HK\$44,577,762, an increase of 125% over last year. Turnover was up by 134%, from HK\$67,421,563 to HK\$157,542,102. *Easy Finder* was acquired by Next Media in October 1999. Therefore, it was the first time that this publication had contributed to the company's results for a full financial year. Despite strong competition from other new and re-launched publications, *Easy Finder* retained its leadership role - both in terms of circulation and advertising - as a general interest magazine catering to 15-34-year old readers.

The company also generated a turnover of HK\$6,689,708 from Internet advertising, 2% of its total turnover for the year; compared to HK\$1.2 million in the previous financial year. In line with market conditions, the focus in Next Media's on-line operations has switched from expansion to consolidation, with a thorough restructuring aimed at getting the cost base under control and broadening its revenue stream.

Regarding the company's future prospects, Mr Lai noted that Taiwan *Next Magazine* had been launched in Taipei with great initial success. "We are now working hard to sustain this trend by improving the quality of our people, and thus the quality of our magazine. Once we have strongly established Taiwan *Next Magazine*, we will go on to explore other opportunities to expand our media businesses in this market, as and when the time is right.

Our main task in the coming 12 months will be to consolidate and build upon the success of our existing off-line businesses in Hong Kong and Taiwan. At the same time we will continuously seek out appropriate new opportunities," Mr Lai added.

Next Media has also made an application for a new listing to The Stock Exchange of Hong Kong Limited, in relation to the proposed acquisition, subject to the approval of the Listing Committee of the Stock Exchange, of certain print media businesses from Mr Jimmy Lai, which may include *Apple Daily*, *Next Magazine*, *Sudden Weekly* and *Eat & Travel Weekly*.

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