

(For Immediate Release)



Next Media Limited, the Largest Listed Chinese-language Print Media Group in Hong Kong, Announced Its Impressive 2002 Annual Results

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Immediate Turnaround From Loss to Profit Upon Successful Acquisition of Publishing Business and Achieved an Overwhelming HK\$1.12 billion in Turnover

Summary of Profit and Loss Statement:

For the year ended 31 March	2002 HK\$' 000	2001 HK' 000 (As restated)	Change %
Turnover	1,120,876	350,436	+220%
Profit / (Loss) for the year	26,549	(638,458)	N/A
EBITDA	167,742	(79,108)	N/A
Earnings per share			
(basic)	HK 3cents	HK\$(1.03)	N/A
(fully diluted)	HK 2cents	N/A	N/A

Summary of Balance Sheet:

As at 31 March	2002 HK\$' 000	2001 HK' 000 (As restated)	Change %
Current assets	965,295	116,594	+728%
Current liabilities	263,263	112,663	+134%
Non-current liabilities	249,786	301,822	-17%
Net assets	3,047,787	226,903	+1,243%

Summary of Ratio Analysis:

For the year ended 31 March	2002	2001 (As restated)
Net profit margin	4.8%	N/A
Current ratio	366.7%	103.5%
Quick ratio	342.4%	85.9%
Debtors' turnover days (Collection period)	58.0days	48.5days
Creditors' turnover days (Average payment period)	43.5days	126.5days
Gearing ratio	7.0%	51.2%
Debt to equity ratio	8.2%	145.1%

(21 June, 2002 – Hong Kong) Next Media Limited (“Next Media” or the “Group”; stock code: 282) today announced its encouraging results for the year ended 31 March 2002. For the period under review, turnover increased by 2.2 times and amounted to HK\$1.12 billion as compared to HK\$350.44 million last year. Net profit reached HK\$26.55 million as compared to a restated net loss of HK\$638.46 million for FY2001. EBITDA amounted to HK\$167.74 million as compared to a loss of HK\$79.11 million for FY2001. The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2002.

Mr. Andrew Chow On Kiu, Vice Chairman of the Group, commenting on the annual result performance, said, “The Group’s successful acquisition of the profitable publishing business in October 2001 led to an immediate financial turnaround. Capitalizing on our diverse business portfolio, Next Media will leverage on the strengths and resources of each division and continue to sustain market leadership, surpass expected targets as well as satisfy the needs of different demographics and tastes.”

Next Media publishes the second most widely read newspaper, *Apple Daily*, and four of the most popular weekly magazines, namely *Next Magazine*, *Easy Finder* and *Sudden Weekly* that has been bundled with *Eat & Travel Weekly*, in Hong Kong. Targeting the mass market, Next Media attracts and appeals to a vast array of readers, including young executives and senior management, the young, trendy and fashionable, social elites, students and housewives. All publications adhere to the principle of “Quest for truth and the courage to speak”.

For the five months since acquisition of Database Gateway Limited and its subsidiaries on 26 October 2001 (the "Acquisition"), *Apple Daily* accounted for approximately 48.5% or HK\$543.70 million of total sales for the Group. Turnover of magazine publication amounted to approximately HK\$414.85 million as compared to approximately HK\$157.54 million of last year. Such increase in turnover is attributable by the five months results of the 3 magazines acquired through the Acquisition and the turnover of *Taiwan Next Magazine*.

The printing business now serves as a complement to the Group's core business with its state of the art printing equipment and contributed approximately HK\$ 347.41 million in revenue for the year ended 31 March 2002. A revenue of HK\$129.20 million was derived from the newspaper printing (5 months effect for the current year) and a revenue of HK\$218.21 million from books and magazine printing. In addition, the printing income of HK\$347.41 million comprised of an inter-segment printing income of HK\$195.72 million and HK\$151.69 million from external customers. By achieving economies of scale, the printing business brings forth a steady income stream, convenience for the Group's newspaper and magazine printing business as well as impeccable and value adding after sales services.

During the period under review, the Internet business contributed approximately HK\$10.64 million of the Group's total sales due to the implementation of a subscriber model. Advertising revenue witnessed a slight increase from the previous year and amounted to HK\$4.25 million, while sales of content also increased by three folds over 2001 and reached approximately HK\$1.84 million. Looking forward, through an aggressive cost control measure, Next Media will ensure that the business becomes self-sufficient and continue to offer convenience for its overseas subscribers.

Next Media launched its *Taiwan Next Magazine* on 31 May 2002 to enter the Taiwan market that is renowned to be highly fragmented and competitive. Within a very short period of time, *Taiwan Next Magazine* was able to record a circulation of 186,989 for the six months ended 31 December 2001 and became the number one weekly magazine by readership. Turnover of *Taiwan Next Magazine* amounted to approximately HK\$101.05 million with 10 months of operation during the fiscal year. The Group believes that the Taiwan economy will continue to improve and that *Taiwan Next Magazine* will break even by the end of fiscal year 2003. Looking ahead, the Group intends to venture into the Taiwan newspaper market with *Apple Daily* by the second quarter of 2003. The Group has also acquired printing machinery and

equipment and will build new printing factories to enhance its efficiency and production capability.

Financial Impacts of the Acquisition

As an additional financial information to enhance transparency, the turnover and profit before amortisation of Database Gateway Limited and its subsidiaries (the "DGL Group") for the year ended 31 March 2002 were HK\$2.11 billion and HK\$314.80 million respectively. As the Acquisition was completed in October last year, pre-acquisition turnover of HK\$1.25 billion and profit before amortisation for the period from 1 April to 26 October 2001 of HK\$132.46 million were not reflected in the consolidated profit and loss account of the Group. The turnover and profit before amortisation of the DGL Group for the period from 27 October 2001 to 31 March 2002 after the Acquisition amounted to HK\$0.86 billion and HK\$182.34 million respectively, which were included in the consolidated profit and loss account of the Group for the year ended 31 March 2002.

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Company Background

Next Media Limited is the largest listed Chinese printed media group in Hong Kong with business spanning Hong Kong and Taiwan. The Group publishes one newspaper and four magazines in Hong Kong, namely *Apple Daily*, *Next Magazine*, *Easy Finder*, *Sudden Weekly* and *Eat & Travel Weekly*. The Group also started publishing *Taiwan Next Magazine* in Taiwan in May 2001. Besides publishing, the Group is also engaged in printing and Internet business. The printing business mainly serves the Group's magazines and newspaper. The Internet business is mainly provision of fee-charging content with the content coming principally from the Group's magazines and newspaper.

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