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NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

CONVERSION OF PREFERENCE SHARES

Mr. Lai converted 240,000,000 Preference Shares into 240,000,000 New Shares at the conversion price of HK\$1.75 per New Share today.

The Conversion increases Mr. Lai's shareholding interest in the Company from approximately 59.8% of the issued ordinary share capital of the Company immediately before the Conversion to approximately 66.4% of the issued ordinary share capital of the Company as enlarged by the Conversion. After the Conversion, Mr. Lai still holds 920,000,000 Preference Shares which remain convertible until 26 October 2006. Based on the information available to the board of directors of the Company, as at the date of this announcement, approximately 25.4% of the Company's total issued ordinary share capital is held by the public following the Conversion.

The Conversion

Reference was made to the circular dated 28 September 2001 (the "Circular") issued by Next Media Limited (the "Company") in relation to, inter alia, the acquisition by the Company of the entire issued share capital of Database Gateway Limited (the "Acquisition"). As part of the consideration for the Acquisition, 1,160,000,000 non-voting convertible preference shares ("Preference Shares") of HK\$1.75 each in the capital of the Company were issued to Mr. Lai Chee Ying, Jimmy ("Mr. Lai"), the controlling shareholder and a director of the Company, on 26 October 2001.

Mr. Lai converted 240,000,000 Preference Shares into 240,000,000 new ordinary shares ("New Shares") of HK\$1.00 each in the capital of the Company at a conversion price of HK\$1.75 per New Share today (the "Conversion").

The New Shares, representing approximately 19.4% of the existing issued ordinary share capital of the Company, were issued today pursuant to the authority granted by the shareholders of the Company in an extraordinary general meeting held on 22 October 2001. After the Conversion, the total number of issued ordinary shares of the Company is increased to 1,474,632,176. The Conversion increases Mr. Lai's shareholding interest in the Company from approximately 59.8% of the issued ordinary share capital of the Company immediately before the Conversion to approximately 66.4% of the issued ordinary share capital of the Company as enlarged by the Conversion. After the Conversion, Mr. Lai still holds 920,000,000 Preference Shares which remain convertible until 26 October 2006. The remaining Preference Shares are convertible into 920,000,000 ordinary shares of the Company which represent approximately 62.4% of the issued ordinary share capital of the Company after the Conversion. As stated in the Circular, Mr. Lai has undertaken to the Company that he will not exercise any conversion rights attached to the Preference Shares where the percentage shareholding of the public (as defined in the Listing Rules) in the Company immediately following the conversion pursuant to such exercise will be less than 25%. Based on the available information to the board of directors of the Company, as at the date of this announcement, approximately 25.4% of the Company's total issued ordinary share capital is held by the public following the Conversion.

General

Approval has been granted by the Listing Committee of The Stock Exchange of Hong Kong Limited in October 2001 of the listing of and permission to deal in the New Shares. Dealings in the New Shares is expected to commence on 11 July 2003.

By Order of the Board
Janis Lee
Company Secretary

Hong Kong, 10 July 2003

Please also refer to the published version of this announcement in South China Morning Post dated on 11-7-2003.