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NEXTmedia

NEXT MEDIA LIMITED

(a company incorporated in Hong Kong with limited liability)

PROFIT WARNING

The Board wishes to inform the shareholders of the Company that the Group is expected to record a loss for the year ending 31 March 2004.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

The board of directors (the “Board”) of Next Media Limited (the “Company”) wishes to inform the shareholders of the Company that the Company and its subsidiaries (the “Group”) is expected to record a loss for the year ending 31 March 2004 due to the Group’s continuing investment, i.e. operating expenses in *Taiwan Apple Daily*.

The unaudited consolidated interim results announcement of the Group for the six months ended 30 September 2003 (the “First Half”) dated 12 December 2003 showed a loss of approximately HK\$109.1 million. The principal factor which contributed to this loss was the launch of *Taiwan Apple Daily* in May 2003.

Although the third quarter ended 31 December 2003 produced improved results relative to previous quarters, the Group incurred a loss for the nine months ended 31 December 2003 due mainly to the losses incurred in the First Half and the Group’s continuing investment in *Taiwan Apple Daily* during the third quarter.

Newsprint and paper costs in both Hong Kong and Taiwan remained stable in the first three quarters but have risen since then. This rise will have an adverse, albeit modest, impact on the Group’s performance in the fourth quarter. The Group’s continuing investment in *Taiwan Apple Daily*, combined with the losses incurred in the First Half, will have an adverse impact on the Group’s full-year results, and the Group is expected to record a loss for the financial year ending 31 March 2004.

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By Order of the Board
Stephen Ting
Director

Hong Kong, 16 February 2004

Please also refer to the published version of this announcement in South China Morning Post dated 17 February 2004.

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