

Group Commitments

Next Media has always been committed to returning the trust it has built with readers in Hong Kong and Taiwan by being an active and enthusiastic contributor to both communities.

A Total Commitment to Transparent Investor Relations

As a media operator which is constantly in the public eye, Next Media has always maintained a close and open relationship with its investors and the financial communities. During the year under review, the Group continued to enhance transparency and add value for its shareholders.

As in previous years, the Group delivered on this promise by actively involving its senior Management in frequent meetings during the year just ended for interested parties such as research analysts and institutional investors. The many events organised included briefings, lunches and company visits.

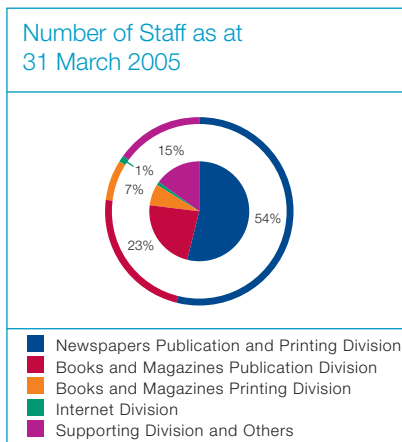
The bond of trust that Next Media has built with its investors is just as strong as the one the Group has forged with its readerships. Conscious of its responsibility to be ethical in all its dealings, the Group makes every effort to ensure investment information is easily accessible and also freely available for all who require it. To this end, the Group has established and regularly updates a comprehensive archive of its past interim and annual reports, public announcements and press releases at <http://www.nextmedia.com>.

People are the Lifeblood of our Business

Providing readers in two cities with their daily or weekly news update is an enormous responsibility. At this juncture it is important to mention that front line journalists and photographers are only the tip of the iceberg that makes up a typical news organization. Working around the clock to ensure our writers' words and photographers' pictures enliven readers' breakfasts or early morning commutes are literally thousands of back room staff. Without their unstinting efforts, the photographs and articles which have made our papers and magazines such a central part of people's daily lives would simply never see the light of day.

Next Media has always been an equal opportunity employer. We have built up our business by treating our team members with respect and insist on highly ethical and

Group Commitments



professional standards from our people in return. Our recruitment policy continues to be non-discriminatory, with successful applicants hired solely on the basis of their relevant skills and experience.

As at 31 March 2005, the Group employed a total of 3,242 employees in Hong Kong, Taiwan and Canada, all of whom made a vital contribution to the Group's success during the year just ended.

Next Media takes real pride in being able to recruit and retain the best and brightest talents available in the publishing business. Regular reviews of staff remuneration packages are just one of several ways that the Group ensures the highest quality of team members. Typical assessments used in the review process include not only the scope of the employee's responsibilities and business performance, but also internal relativities and prevailing market practices and pressures.

All Group team members' efforts are rewarded on the basis of their performances. The year just ended saw the continuation of both the special year-end bonus introduced in 2004 and the profit sharing scheme which rewarded team members who have made exceptional contributions. During the year just ended, the Group also maintained its policy of offering special subsidies for team members who wish to obtain professional or career related qualifications.

Next Media does not believe that its responsibility to employees finishes at the end of the working day. For this reason, we provide not only insurance, medical coverage, and maternity and paternity leave, but also retirement and mandatory provident fund schemes. The Group and certain of its subsidiaries also operate discretionary share option schemes to motivate employees to further enhance value for shareholders. During the year under review, total staff related costs, including retirement benefits stood at approximately HK\$911.1 million, an increase of approximately 0.4% over the approximately HK\$907.1 million for the previous financial year.

Next Media is a firm believer that the best way to make team members productive is to provide them with a pleasant and professional workplace. The various ways in which we try to make our people feel valued includes the provision of a range of leisure amenities that few other companies can match. The many "fringe benefits" staff enjoy include a cafeteria, an open-air BBQ area and a superbly equipped fitness center with swimming pool and multi-function athletic court. Such facilities are expensive to maintain, but provide an invaluable means of both building team spirit and fostering physical and mental wellbeing among staff.

The year under review saw Next Media organize the following activities with an aim to enhancing the health, social and physical developments of staff members:

- Buffet lunch or dinner with the Management for those who have won awards or received promotions
- A Chiew-Chow midnight buffet to celebrate *Apple Daily's* 9th anniversary
- A 15th anniversary banquet for *Next Magazine* at the Miramar Hotel
- Complimentary box of mooncakes for all staff during the Mid-Autumn Festival
- HK\$1,000 *Lai See* ("lucky money") payments to all newly weds and new parents
- A "Family Day" with lunch buffet at Ocean Park
- Yoga and Tai-chi classes during lunch breaks and outside office hours
- A swimming competition
- The organisation of work safety and privacy law seminars
- Sharing of tsunami experiences by reporters and photographers who visited and filed stories and pictures from the disaster zones

The exceptionally high level of commitment Next Media makes to its staff is one of the key reasons why the Group remains the preferred employer of choice for the hottest talents in the publishing industry. Ultimately, joining the Next Media family is not just regarded as being just one more possible career choice. It is seen as being one's passport to a dynamic environment in which highly-motivated individuals can pursue their dreams while raising awareness of issues that directly affect everyone in the community.



Next Media team members organized a charity sales to help tsunami victims



Chairman Jimmy Lai dining with team members who received a promotion

Group Commitments



Santa Claus distributing Christmas gifts on behalf of the Apple Daily Charitable Foundation



Hei Yin, visually impaired, was a beneficiary of the Apple Bursaries Scheme

A Tireless Contributor to Worthy Causes

All publishers are entrusted with the huge responsibility of informing, educating and entertaining their readers. Over the years, Next Media has built up an enviable reputation for breaking stories that many would rather remain out of the public domain. Accurate and balanced reporting is, however, just one of several ways in which Next Media is striving to be a good corporate citizen and make a lasting contribution to the communities which it serves.

In 1995, the Apple Daily Charitable Foundation (the "Foundation") was set up in Hong Kong. The Foundation's primary objective is to help the less privileged members of society through either direct financial assistance or the sponsorship of various social services projects. Following the establishment of *Taiwan Apple Daily* in 2003, a similar foundation, the "Apple Daily Foundation" was established in Taiwan with an initial contribution of NT\$15,000,000 from *Taiwan Apple Daily*.

The Foundation has two committees, namely the Charitable Fund committee and the Educational Fund committee. In 1997, the "Apple Bursaries Scheme" was launched with the aim of providing direct financial assistance for needy students. During the year just ended, the Foundation shared approximately HK\$2.5 million across 73 social service projects, while the Apple Bursaries Scheme distributed bursaries worth approximately HK\$2.7 million to 670 needy primary and secondary school students.

In addition to running a regular editorial appeal donation column in *Apple Daily*, Apple Daily Limited continues to donate 1% of its profits to the Foundation on a monthly basis. The paper also frequently devotes space on its pages to publicizing the wealth of good works and charitable activities organized by the Foundation.

Other ways in which the Group delivered on its "Take it from society! Use it to benefit society!" philosophy included:

- The collection of over 120 teddy bears given to disadvantaged children as Christmas gifts in 2004



Mooncakes given to over 6,000 community members in celebration of the Moon Festival



The Apple Daily Charitable Foundation sponsored the Hong Kong Red Cross' visit to child victims of the tsunami



Over 120 Teddy bears given to disadvantaged children as Christmas gifts

- The sale of over 1,500 Christmas Wishing Stars for the “Ho Sum” Charity Appeal
- Involvement in the Community Chest’s “Skip Lunch” Appeal
- The auction of five Nokia handsets for charity
- Staff charity sale to help tsunami victims

Next Media’s concern for its readership and larger communities is a sincere and unstinting one. The years ahead will see the Group continue its tradition of doing all it can to support the less fortunate in both Hong Kong and Taiwan.

The Apple Daily Asian Earthquake and Tsunami Relief Fund



When hundreds and thousands of lives across South East Asia were taken by the 26 December 2004 Tsunami, Next Media was among the first organizations in Hong Kong to launch an Asian Earthquake and Tsunami Relief Fund (the “Tsunami Relief Fund”). The Foundation donated approximately HK\$2 million to the Tsunami Relief Fund, while *Apple Daily* itself donated all income it received from non-governmental organizations that ran advertisements for their own appeals. Additional activities organized by the Foundation included an auction of local pop and movie star memorabilia. Ultimately, the Tsunami Relief Fund helped to raise approximately HK\$12 million which was donated to the Hong Kong Red Cross to aid in the reconstruction of the affected areas.

Moved by their regional neighbours’ plight, Next Media team members collected approximately HK\$92,000 to assist the Hong Kong Red Cross in helping those affected rebuild their shattered lives.