

group commitments

Next Media has always appreciated the tremendous support it receives from its shareholders, readers, advertisers and employees, both in Hong Kong and Taiwan. In recognition of this, it is dedicated to maintaining high standards of investor relations; to contributing to the wellbeing of the communities in which it does business and their environment; to playing a commendable role in the business community; and to being an outstanding employer of media industry professionals.

Providing the Complete Picture to Investors

As a major media organisation, Next Media acknowledges the importance of presenting timely, accurate and complete information to its readers. The same philosophy is also reflected in its adherence to the principles of transparent investor relations, and to providing added value to shareholders.

During the year under review, the Group continued to enhance its communications with investors. Its senior management conducted many activities, such as briefings, lunches and company visits. These involved various interested parties, including research analysts and institutional investors.

At the same time, the Group strived to make all relevant investment information easily accessible to anyone who required it. The main channel for providing this is the regularly updated and comprehensive archive of past interim and annual reports, public announcements and press releases that are available on its website at <http://www.nextmedia.com>.

People are the Keys to Success

The core of Next Media's business is to deliver precise and up-to-the-minute news and information to readers in Hong Kong and Taiwan. It is a tremendous responsibility, and one that it takes very seriously.

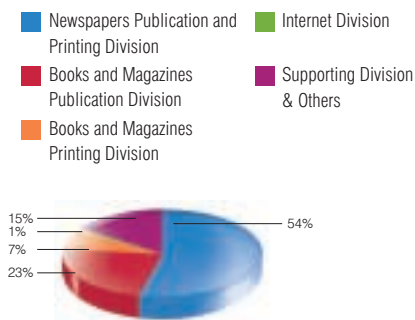
As at 31 March 2006, Next Media employed a total of 3,472 people in Hong Kong, Taiwan and Canada. Of this workforce, the frontline journalists and photographers are just the tip of the iceberg. Thousands of back-room staff also labour to ensure that their reports and pictures get to readers in time for them to enjoy as they eat their breakfast or commute to work. It is a complex and time-sensitive operation, and it depends on the strenuous, round-the-clock efforts of dedicated industry professionals.

The Group acknowledges the contribution that every employee makes towards its success. By being an exemplary employer, it aims to attract and retain the best and brightest talent available in the industry. Moreover, it treats its staff members with respect, and it compensates them fairly for their hard work, enthusiasm and skills, as well as their adherence to the Group's strict ethical standards.



1 Friends and families joined staff members for our day trip to Lamma Island to encourage our staff to engage in regular physical activities

Number of staff as at 31 March 2006



Next Media has always been an equal opportunity employer. Its recruitment policy is non-discriminatory; and staff members are appointed purely on the basis of their relevant skills and experience.

To maintain the highest quality of team members, staff remuneration packages are regularly reviewed in the light of each employee's responsibilities and the Group's business performance, together with internal relativities and prevailing market practices and conditions.

Every employee is rewarded on the basis of his or her performance. Special year-end bonuses that reflect the Group's business results are paid on a regular basis. A profit-sharing scheme is in place to reward good performers. In addition, special subsidies are available to those who wish to obtain professional or career-related qualifications.

Next Media believes it should care for its employees both during their working day and after it ends. Besides insurance and medical coverage and maternity and paternity leave, it provides retirement and mandatory provident fund schemes. To motivate its staff and generate extra value for shareholders, the Group and some of its subsidiaries also operate discretionary share option schemes.

During the year under review, Next Media's total staff-related costs, including retirement benefits, totalled HK\$991.7 million, an increase of 8.8 percent on the previous year's figure of HK\$911.1 million.

Another major tenet of Next Media's human resources philosophy is that team members are more productive if they feel they are valued. To this end, it offers them a pleasant and professional workplace, as well as a range of leisure facilities that few other companies can match. They include a cafeteria, an open-air BBQ area, and a superbly equipped fitness centre with a swimming pool and multi-function athletic court.

During the 2005/06 financial year, the Group also staged a host of other staff activities, including:

- Various legal seminars;
- Yoga classes;
- Tai-chi classes;
- A Feast of Basin Dishes to celebrate Mid-Autumn Festival on 16 September 2005;
- A Grand Picnic at Lei Yue Mun Park and Holiday Village for staff members and their relatives and friends on 13 November 2005;



2 Mr. Yiu Hung Chi, Mr. Hui Yin Fat, Ms. Wong Sau Lin and Ms. Yau Ho Chun chaired the press conference for the Apply Daily Charitable Foundation

- Sales of materials donated by staff members to assist people affected by the South East Asian Tsunami; and
- A one-day hiking trip to Lamma Island for staff members and their relatives and friends on 19 March 2006.

The Group is convinced that its sizeable investments in all these staff benefits, amenities and activities pay dividends by boosting the sense of commitment and team spirit of its employees, as well as their physical, mental and social wellbeing.

This people-centred approach has earned Next Media an enviable reputation as a preferred employer. The brightest talents in the publishing industry are motivated to join the Group because it offers them much more than just a job. Rather, it represents a passport to a dynamic environment in which they can pursue their career goals while they raise the community's awareness of issues that directly influence the lives of everyone in it.

Continuously Contributing to the Community

The primary duty of every media company is to inform, educate and entertain the public. Next Media has never shirked this task, and it has gained a strong reputation over the years for fearlessly reporting the facts – including stories that some would rather keep unpublished. Even so, Next Media sees truthful and balanced journalism as just one of its roles. It simultaneously strives to be a good corporate citizen that creates considerable benefits for all the communities in which it does business.

In 2005/06, Paramount Printing Company Limited, a subsidiary of Next Media, was named as a “Caring Company” by The Hong Kong Council of Social Service, in recognition of its contribution to creating a caring community by employing and giving job opportunities to people in vulnerable groups.



Next Media and its employees also supported the following charitable activities during the 2005/06 financial year:

- The “Caring For Your Heart” campaign arranged by the Trappist Dairy to raise funds to enable children with congenital heart disease to live a full healthy life, for which staff members helped sell milk drinks and gave donations to the Children's Heart Foundation;
- The Society for Abandoned Animals annual charity raffle tickets sale in November 2005, for which staff members sold HK\$10 raffle tickets; and
- The Community Chest's “Skip Lunch Day” in November 2005, for which staff members each donated HK\$20 or more to receive a “Skip Lunch Day Food Pack”.

The Apple Daily Charitable Foundation (the “Foundation”) was established in Hong Kong in 1995. Its main objective is to assist less-privileged members of society through direct financial support, and by sponsoring a variety of social service programmes.



- 3 Gilman Home Appliances donated HK\$300,000 worth of electrical appliances to Apple Daily Charitable Foundation for the benefit of the underprivileged
- 4 Tam Yee Kwan is a beneficiary of the Apple Bursaries Scheme, which has given out over HK\$3 million during the year

The Foundation has two committees, the Charitable Fund Committee and the Educational Fund Committee. In 1997, it launched the Apple Bursaries Scheme with the aim of providing direct financial support to needy students.

During the 2005/06 financial year, the Foundation distributed a total of HK\$4.2 million to support 87 social service projects. Meanwhile, the Apple Bursaries Scheme gave bursaries totalling more than HK\$3 million to assist 775 less-fortunate primary and secondary school students. It also launched the "Learning for a New Life" scheme, which helped 119 imprisoned students with financial difficulties to pursue their education. The scheme provided the students with financial assistance, donated textbooks and reference materials to libraries in Correctional Service Institutions, and arranged for academics and tutors to visit and hold advisory seminars for them.

A similar organisation, the Apple Daily Foundation, was established in Taiwan in 2003 with an initial contribution of NT\$15.0 million from *Taiwan Apple Daily*.

Besides a regular editorial column that appeals for donations from its readers, *Apple Daily* donates 1 percent of its profits to the Foundation on a monthly basis. The newspaper also frequently promotes the Foundation's good works and charitable activities in its pages.

The Group also practices its "Take it from society! Use it to benefit society" philosophy in a number of other ways. In the 2005/06 financial year, it organised or participated in the following programmes:

- The "G HOME" programme, in which HK\$300,000-worth of electrical household appliances donated by Gilman Home Appliances were distributed to needy households. The appliances included electric fans, refrigerators, cookers, washing machines and stoves. Its main beneficiaries were poor elderly or disabled people and low-income families.
- "Bone Marrow Donor Recruitment Campaign 2005", jointly organised with the Hong Kong Marrow Match Foundation at Metro City, Tseung Kwan O, from 28 to 29 May 2005. The campaign aimed to recruit voluntary bone marrow donors, and find matched marrow for leukemia patients and others suffering from blood-related disorders who urgently need marrow transplantations.

- "The Assistance Fund for Shum Ho Yin", which launched an appeal that raised HK\$315,853 for a seven-year-old boy who was seriously injured in an attack. The donations were handed over to the Hong Kong Society for the Aged. They will be used to provide him with long-term medical treatment, education and counseling.

Next Media has a sincere and longstanding commitment to its readers and their communities. In the future, it will continue to make unstinting efforts to reach out and give a helping hand to financially deprived people in Hong Kong and Taiwan.

Striving to Protect the Environment

Next Media recognises its responsibility to care for the environment, for the benefit of society. It continuously endeavours to ensure that all the materials it uses and every aspect of its operations are as environmentally friendly as possible.

Apart from price levels, turnover days and quality of products, its purchasing policies emphasise whether or not suppliers satisfy the highest environmental standards.

Every year, Next Media uses 180,000 metric tonnes of newsprint for its newspapers; plus another 22,000 metric tonnes of paper for its magazines. These are supplied by reputable major manufacturers in Canada, Sweden, Finland and South Korea. All these companies adhere strictly to manufacturing processes that minimise impact on the environment. All of them also comply with the ISO14000 Environment Management System Standard.

Moreover, the Group consumes approximately 2,160 tonnes of printing ink for newspapers and 626 tonnes for magazines a year. The ink it uses is a composite of resin and vegetable oil that complies with environmental conservation objectives. The manufacturer is also compliant with the ISO14000 Environmental Management System Standard; and its products are recognised in international treaties on environmental protection.

In its production processes, Next Media has implemented environmental monitoring and review systems, together with state-of-the-art technology and a range of strategies designed to reduce pollution. Employees are trained to minimise waste, environmental damage and noise. The Group also recycles and reuses wherever possible.

Emission-control systems have been installed in its printing plants to reduce VOC emission levels from printing ink by 90 percent. It also has a comprehensive sewage processing system that fully complies with the Hong Kong SAR Government's legal requirements. Dedicated disposal bins have been installed for chemical wastes. All solid wastes, pulp and paper waste, chemical waste and recyclable materials are properly categorised, then collected and handled by a contractor that is recognised by the Hong Kong SAR Government's Environmental Protection Department. Wastepaper is processed by dedicated recycling companies.

In addition, the Group's lighting systems are equipped with energy-saving features; and it uses environmentally friendly cleansing agents.