

enewmedia
e-New Media Company Limited
(incorporated in Hong Kong with limited liability)
(Stock Code: 128)

PROPOSED AMENDMENTS TO
ARTICLES OF ASSOCIATION OF THE COMPANY

The board (the “Board”) of directors (the “Director(s)”) of e-New Media Company Limited (the “Company”) announces that an annual general meeting of the Company (“AGM”) will be held at 10:00 a.m. on Thursday, 3 June, 2004 at the Hilltop Country Club, 10 Hilltop Road, Lo Wai, Tsuen Wan, New Territories, Hong Kong whereby it will be proposed, amongst other things, to the shareholders of the Company (the “Shareholders”) for their approval by way of a special resolution at the AGM for the amendments (the “Proposed Amendments”) to the articles of association of the Company (the “Articles of Association”) in order to align the Articles of Association with the amendments to the Appendix 3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), which have become effective since 31 March 2004 and with the Companies (Amendment) Ordinance 2003, which has come into operation on 13 February 2004 as well as to keep the Articles of Association more in line with the current practice of the Company. The main areas of the Proposed Amendments are as follows:

- (a) Where the Company has actual knowledge, any Shareholder who is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to vote only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.
- (b) Any matter in which not only the Director but also his associates (as defined in the Listing Rules) has interest, such Director shall abstain from voting at the board meeting of the Company for the purpose of approving such matter and such Director shall not be counted in the quorum of the relevant board meeting.
- (c) A minimum of 7 days’ period is required for lodgment by Shareholder of a notice to nominate a Director (other than the retiring Director) and for the lodgment by the nominated person of a notice to indicate his willingness to be elected and such notice shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days before the date of such meeting.

- (d) The Company is allowed to deliver a copy of summary financial report in place of a copy of the relevant financial documents to every entitled persons.
- (e) The Company is allowed to send or make available corporate communications (including the distribution of a summary financial report) to the entitled persons using electronic means and in either English or Chinese language.
- (f) A Director can be removed by an ordinary resolution passed by the Shareholders instead of a special resolution.
- (g) A resolution put to the vote of the general meeting of the Company shall be decided on poll as may from time to time be required under the Listing Rules.

An AGM Notice containing, amongst others, particulars of the Proposed Amendments to the Articles of Association have been set out below and will be posted on the web-site of the Stock Exchange on 22 April 2004. Please also refer to the annual report of the Company for the year ended 31 December 2003 to be despatched to the Shareholders on or about 27 April 2004 in which the AGM Notice is set out on pages 71 to 83.

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Joseph Wing Kong LEUNG, Mr. James C. NG, Mr. Derek Wai Choi LEUNG and Mr. Wing Tung YEUNG, and two independent non-executive Directors, namely Mr. Raymond Wai Pun LAU and Dr. Jen CHEN.

By order of the Board
Pui Man CHENG
Company Secretary

Hong Kong, 21 April 2004

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Hilltop Country Club, 10 Hilltop Road, Lo Wai, Tsuen Wan, New Territories, Hong Kong at 10:00 a.m. on Thursday, 3 June 2004 for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2003.
2. To re-elect the retiring Directors and authorise the Board of Directors to fix the Directors’ remuneration.
3. To re-appoint Auditors and authorise the Board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, to pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c) of this Resolution, pursuant to section 57B of the Companies Ordinance the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue or (ii) the exercise of options granted under the share option scheme of the Company, shall not in aggregate exceed 20 percent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

5. As special business, to consider and, if thought fit, to pass with or without amendments, the following resolution as a Special Resolution:

“THAT the existing Articles of Association of the Company be altered in the following manner:

- (a) Article 2

- (i) by deleting the definition of “associate” in its entirety and substituting therefor the following new definition and its marginal note:

Associate. “associate” shall have the meaning ascribed to it under the Listing Rules;

- (ii) by deleting the definition of “clearing house” in its entirety and substituting therefor the following new definition and its marginal note:

Clearing house. “clearing house” shall mean a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;

- (iii) by adding the following definitions and their marginal notes immediately after the definition of “dollars”:

Electronic communication. “electronic communication” shall mean a communication sent by electronic transmission in any form through any medium;

Entitled person. “entitled person” shall mean an “entitled person” as defined under the Companies Ordinance;

- (iv) by adding the following definition and its marginal note immediately after the definition of “Hongkong Government”:

Listing Rules. “the Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;

- (v) by deleting the definition of “newspaper” in its entirety and substituting therefor the following new definition and its marginal note:

newspaper. “newspaper” shall mean a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purpose of Section 71A of the Companies Ordinance by the Chief Secretary For Administration;

- (vi) by adding the following definition and its marginal note immediately after the definition of “the register”:

relevant financial documents. “relevant financial documents” shall mean the “relevant financial documents” as defined under the Companies Ordinance;

- (vii) by adding the following definition and its marginal note immediately after the definition of “shareholders” or “members”:

summary financial report. “summary financial report” shall mean the “summary financial report” as defined under the Companies Ordinance;

- (viii) by deleting the definition of “writing” or “printing” in its entirety and substituting therefor the following new definition and its marginal note:

writing, printing. “writing” and “printing” shall mean written or printed or printed by lithography or printed by photography or typewritten or produced by any other modes of representing words or figures in a visible form or, to the extent permitted by, and in accordance with any other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or partly in one visible form and partly in another visible form;

- (ix) by adding the following paragraph and its marginal note immediately after the definition of “Ordinance to bear same meaning in Articles”:

document being executed. document. References to a document being executed include references to its being executed under hand or under seal or, to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations, by electronic signature or by any other method. References to a document, to the extent permitted by, and in accordance with any other applicable laws, rules and regulations, include references to any information in visible form whether having physical substance or not.

- (b) Article 3(a)

by adding the sentence “Pursuant to a special resolution passed on 11th July, 2002, the par value of each ordinary share of the Company was reduced to HK\$0.01.” at the end of Article 3(a);

- (c) Article 15

by adding the words “within a prescribed period as required under the Companies Ordinance and/or the Listing Rules” after the word “receive” in the second line of Article 15 and deleting the words “or lodgment of a transfer (or within such other period as the conditions of issue shall provide)” in the second and third lines of Article 15;

- (d) Article 42

by adding the words “with a prescribed period as required under the Companies Ordinance and/or the Listing Rules” after the word “issued” in the third line of Article 42 and deleting the words “without charge” in the third and last lines of Article 42;

- (e) Article 73

- (i) by adding the words “unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules and regulations or” before the word “unless” in the second line of the first paragraph of Article 73;

- (ii) by inserting the words “a poll is so taken as required under the Listing Rules or any other applicable laws, rules and regulations or unless” after the word “Unless” at the beginning of the second paragraph of Article 73;

- (f) Article 82

by adding the following new paragraph and its marginal note as Article 82(c):

- (c) Where the Company has actual knowledge that any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

- (g) Article 93

by adding the following new paragraph immediately after paragraph (d) of Article 93:

- (e) An alternate Director shall be deemed to be the agent of the Director who appoints him. A Director who appoints an alternate Director shall be vicariously liable for any tort committed by the alternate Director while acting in the capacity of alternate Director.

- (h) Article 100

- (i) by deleting Article 100(h) in its entirety and substituting therefor the following:

- (h) Save as otherwise provided by the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associate(s) is/are, to the knowledge of such Director, materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement or proposal for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;

- (ii) any contract or arrangement or proposal for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or to be interested in for subscription or purchase, where the Director or his associate(s) is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;

- (v) any contract or arrangement or proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and/or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associate(s) are not in aggregate beneficially interested in 5 per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his associate(s) is derived) or of the voting rights;

- (vi) any proposal or arrangement concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director or his associate(s) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the employees to which such fund or scheme relates; or

- (vii) any contract or arrangement concerning the adoption, modification or operation of any employees’ share scheme or any share incentive scheme or share option scheme under which the Director or his associate(s) may benefit.

- (ii) by deleting Article 100(i) in its entirety and substituting therefor the following:

- (i) A company shall be deemed to be a company in which a Director and/or his associate(s) owns 5 per cent. or more if and so long as (but only if so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in 5 per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third party through which his/their interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.

- (iii) by deleting the words “together with any of his associates”, “is” and “that Director” in the first and second lines respectively of Article 100(j) and substituting therefor the words “and/or his associate(s)”, “is/are” and “that Director and/or his associate(s)” respectively;

- (iv) by adding the words “and/or his associate(s)” immediately after “(other than the Chairman of meeting)” and “the interest of the Director” in the second and eighth lines of Article 100(k) respectively;

- (v) by deleting Article 100(l) in its entirety;

- (vi) by re-numbering Article 100(m) as Article 100(l);

- (i) Articles 105

by deleting Article 105 in its entirety and substituting therefor the following:

- Notices to be given when person proposed for election. 105. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company at least seven days before the date of the general meeting. The period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

- (j) Article 107

by deleting the words “special resolution” in the first line and marginal note of Article 107 and substituting therefor the words “ordinary resolution”;

- (k) Article 163

by deleting Article 163 in its entirety and substituting therefor the following Article and its marginal note:

- Relevant financial documents and summary financial report. 163. (a) The Board shall from time to time in accordance with the provisions of the Companies Ordinance cause to be prepared and laid before the Company at its annual general meeting the relevant financial documents.

- (b) Subject to paragraph (c) of this Article, the Company shall in accordance with the Companies Ordinance and any other applicable laws, rules and regulations, deliver or send to every entitled person a copy of the relevant financial documents of the Company or a copy of the summary financial report in place of a copy of the relevant financial documents from which the report is derived, not less than twenty-one days before the date of the general meeting of the Company concerned (or such other time as is permitted under the Companies Ordinance and any other applicable laws, rules and regulations). Provided that this Article shall not require a copy of these documents to be sent to more than one of the joint holders of any shares or debentures or to any member of, or any holder of debentures, who is not entitled to receive notices of general meetings of the Company and of whose address the Company is unaware, but any member or holder of debentures of the Company to whom a copy of these documents has not been sent, shall be entitled to receive a copy of these documents free of charge on application at the registered office of the Company.

- (c) Where any entitled person has, in accordance with the Companies Ordinance and any other applicable laws, rules and regulations, agreed to his having access to the relevant financial documents and/or the summary financial report of the Company on the Company’s computer network as mentioned in Article 168(v) or, to the extent permitted by, and in accordance with the Companies Ordinance and any other applicable laws, rules and regulations, in any other manner (including any other form of electronic communication) instead of being sent the documents or report, as the case may be (an “assenting person”), the publication or making available by the Company, in accordance with the Companies Ordinance and any other applicable laws, rules and regulations, on the Company’s computer network referred to above of the relevant financial documents and/or the summary financial report throughout the period beginning not less than twenty-one days before the date of the general meeting of the Company concerned and ending on such date in accordance with the Companies Ordinance and any other applicable laws, rules and regulations (or such other period or time as is permitted under the Companies Ordinance and other applicable laws, rules and regulations) shall be treated as having sent a copy of the relevant financial documents or a copy of the summary financial report to an assenting person in satisfaction of the Company’s obligations under paragraph (b) of this Article.

- (l) Article 167, 168, 169 and 170

by deleting Articles 167, 168, 169 and 170 in their entirety and substituting therefor the following new Articles and their marginal notes:

Address for notice. 167. Every entitled person shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if any member shall fail so to do, notice may be given to such member by sending the same in any of the manners hereafter mentioned to his last known place of business or residence, or if there be none, by posting the same for one day at the registered office of the Company or by posting the same on the website of the Company or any other electronic means. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register of members and notice so given shall be sufficient notice to all the joint holders.

Service of notices.

168. Any notice or document (including any “corporate communication” as defined in the Listing Rules), whether or not to be given or issued under the Companies Ordinance, other applicable laws, rules and regulations or these presents from the Company, may be served or delivered by the Company upon any entitled person:

- (i) personally;
- (ii) by sending it through the post in a prepaid envelope or wrapper addressed to such person at his registered place of address;
- (iii) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper being in each case a newspaper published daily and circulating generally in Hong Kong and specified or permitted for this purpose by the Companies Ordinance and any other applicable laws, rules and regulations, and for such period as the Board shall think fit to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations;
- (iv) by sending or transmitting it as an electronic communication to such person at any telex or facsimile transmission number or electronic number or electronic address or computer network or website supplied by him to the Company for the giving of notice or document to him; or the notice or other document is available there (a “notice of publication”) to the extent permitted by, and in accordance with the Companies Ordinance and any other applicable laws, rules and regulations. The notice of publication may be given to such person by any of the means set out in paragraphs (i) to (iv) or (vi) of this Article; or
- (vi) by sending or otherwise making available to such person through such means to the extent permitted by, and in accordance with, the Companies Ordinance and any other applicable laws, rules and regulations.

When notice deemed to be served.

169. (a) Any notice or other document (including any “corporate communication” as defined in the Listing Rules) given or issued by or on behalf of the Company:

- (i) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery, and in proving such service or delivery, a certificate in writing signed by the Secretary (or other officer of the Company or such other person appointed by the Board) that the notice or document was so served or delivered shall be conclusive evidence thereof;

- (ii) if served or delivered by post, shall be deemed to have been served or delivered on the day on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong, and in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office. A certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) that the envelope or wrapper containing the notice or other document was so prepaid, addressed and put into such post office shall be conclusive evidence thereof;

- (iii) if sent or transmitted as an electronic communication in accordance with Article 168(iv) or through such means in accordance with Article 168(vi), shall be deemed to have been served or delivered at the time of the relevant despatch or transmission. A notice or document published in the Company’s computer network in accordance with Article 168(v), shall be deemed to have been served or delivered on the day following that on which a notice of publication is sent to the entitled person. In proving such service or delivery, a certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender’s control shall not invalidate the effectiveness of the notice or document being served; and

- (iv) if served by advertisement in newspaper in accordance with Article 168(iii), shall be deemed to have been served on the day on which such notice or document is first published.

Choice of language.

- (b) Subject to the Companies Ordinance and any other applicable laws, rules and regulations, any notice or other document (including but not limited to the documents referred to in Article 163 and “corporate communication” as defined in the Listing Rules) may be given by the Company in the English language only, in the Chinese language only or in both. Where a person has in accordance with the Companies Ordinance and any other applicable laws, rules and regulations consented to receive notices and other documents (including but not limited to the documents referred to in Article 163 and any corporate communication as defined in the Listing Rules) from the Company in the English language only or the Chinese language only but not both, it shall be sufficient for the Company to serve on or deliver to him any such notice or document in such language only in accordance with these presents unless and until there is a notice of revocation or amendment of such consent given or deemed to have been given by such person to the Company in accordance with the Companies Ordinance and any other applicable laws, rules and regulations which shall have effect in respect of any notice or document to be served on or delivered to such person subsequent to the giving of such notice of revocation or amendment.

Service of notice to persons entitled on death, mental disorder or bankruptcy of a member.

170. A notice or document may be given by or on behalf of the Company to the person(s) entitled to a share in consequence of death, mental disorder or bankruptcy of a member in such manner as provided in Article 168 in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

- (m) Article 172

by deleting the words “by post or left at the registered address of any member in pursuance of these presents” in the first and second lines of Article 172 and substituting therefor the words “to any member in such manner as provided in Article 168”;

- (n) Article 173

by deleting the words “written or printed” in Article 173 and substituting therefor the words “written, printed or made electronically”;

- (o) Article 178

by deleting the words “paragraph (c) of the provision to Section 165 of the Ordinance” in the fourth line of paragraph (a) of Article 178 and substituting therefor the words “paragraph (2) of Section 165 of the Companies Ordinance”; and

- (p) new Article 179

by adding the following new Article and its marginal note immediately after Article 178:

Liability insurance for officer or auditor. 179. The Company shall have power to purchase and maintain for any officer of the Company, or any person employed by the Company as auditors:

- (a) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
- (b) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of this Article 179, “related company” means any company which is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.”

By order of the Board
Pui Man CHENG
Company Secretary

Hong Kong, 21 April 2004

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
2. A proxy shall be deemed to be validly appointed if a duly completed form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, must be deposited at the Registered Office of the Company at Suite 1502, 15th Floor, Chinamech Golden Plaza, 77 Mody Road, Tsimshatsui East, Kowloon, Hong Kong NOT LESS THAN 48 hours before the time for holding the Meeting.