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enewmedia

e-NEW MEDIA COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

PROPOSALS INVOLVING ADOPTION OF NEW ARTICLES OF ASSOCIATION AND CHANGE OF USE OF PROCEEDS OF PLACING

The Directors wish to announce that the Company will propose a special resolution to adopt a new set of Articles of Association for approval by the Shareholders at the EGM of the Company.

The Directors also wish to announce that, because of the changing economic and market conditions, the Directors propose the balance of the net proceeds of the Placing not be restricted to the purposes previously stated in the Placing Announcement, but also be used for the general working capital of the Company as well as for investments either in the industries in which the Company operates its existing businesses or in other industries as and when the Directors consider appropriate.

A circular containing the details of the proposals involving the adoption of the new Articles of Association and the change of use of proceeds of the Placing, together with the notice to convene the EGM, will be despatched to the Shareholders as soon as practicable.

ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Directors wish to propose a special resolution at the EGM to adopt a new set of Articles of Association which contains various amendments to the existing Articles of Association of the Company. The purposes of the amendments are (i) to keep the Articles of Association in conformity with the latest requirements of the Companies Ordinance and the Listing Rules; (ii) to clarify certain provisions of the existing Articles of Association; and (iii) to incorporate provisions which conform with the current administrative practices. Apart from the proposed amendments, all existing provisions in the Articles of Association remain the same. The new Articles of Association will be set out in the circular of the Company to be despatched to the Shareholders.

CHANGE OF USE OF PROCEEDS OF PLACING

It was stated in the Placing Announcement that the net proceeds of the Placing of approximately HK\$861,000,000 would be used for strategic telemedia acquisitions to build up the Company's geographical reach, to facilitate the expansion of Net-charger and to further invest in the development of e-commerce enabling technologies in the U.S. and Asia. So far the Group has applied approximately HK\$150,815,000 of the net proceeds to investment in the development of e-commerce enabling technologies, with the remaining proceeds of approximately HK\$710,185,000 being deposited in bank account. The Directors consider that subsequent to the Placing, the audiotext industry and the technology sector have undergone dramatic changes in terms of market conditions and investment climate. The changing economic and market conditions in other markets and industries also give rise to new investment opportunities. Although the Directors currently have no detailed plan for the use of the balance of the net proceeds of the Placing, the Directors propose that the balance of the net proceeds of the Placing should not be restricted to the purposes previously stated in the Placing Announcement, but also be used for the general working capital of the Company as well as for investments either in the industries in which the Company operates its existing businesses or in other industries as and when the Directors consider appropriate.

GENERAL

The circular containing the details of the proposals involving the adoption of the new Articles of Association and the change of use of proceeds of the Placing, together with the notice of the EGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:-

“Company”	e-New Media Company Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the laws of the Hong Kong)
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve the adoption of the new Articles of Association of the Company and the change of use of proceeds of the Placing
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placing”	the placing of 235,000,000 new Shares of the Company at HK\$3.75 per Share, particulars of which are set out in the Placing Announcement
“Placing Announcement”	the announcement of the Company in relation to the Placing dated 4th January, 2000
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholders”	Shareholders of the Company

By order of the Board
e-New Media Company Limited
Wing Kong Joseph Leung
Chairman

Hong Kong, 26th June, 2001