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# **enewmedia**

## **e-NEW MEDIA COMPANY LIMITED**

*(incorporated in Hong Kong with limited liability)*

### **CONNECTED TRANSACTION RENEWAL OF A TENANCY AGREEMENT**

The Board of the Company announces that the Company has entered into the Tenancy Agreement on 28 May 2003 with the Landlord to lease Premises as office premises.

The Landlord is a company wholly owned by Ms Nina Kung, who is a controlling shareholder of the Company holding 34.6% of the issued share capital of the Company. Therefore, the Landlord is an associate of connected person of the Company for the purpose of the Listing Rules. Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a connected transaction for the Company under Rule 14.25 of the Listing Rules.

The Company is required to disclose this connected transaction by way of this press announcement and to include the details of the Tenancy Agreement in its next published annual report of the Company for the year ending 31 December 2003 and, where appropriate, also for each subsequent year, pursuant to Rule 14.25(1)(A) to (D).

The Board of Directors (the "Board") of e-New Media Company Limited (the "Company") announces that the Company has entered into a tenancy agreement (the "Tenancy Agreement") on 28 May 2003 with the Landlord to lease Premises as office premises. The principal terms of the Tenancy Agreement are as follows:-

Landlord	: Hollywood Palace Company Limited
Tenant	: e-New Media Company Limited
Premises	: Units 1502, 1521 and 1522, 15th Floor, Chinachem Golden Plaza, 77 Mody Road, Tsimshatsui East, Kowloon with a total gross area of 11,282 square feet
Lease term	: 2 years commencing from 1 May 2003
Rent	: HK\$157,948 per month (calculated at the rate of HK\$14 per square feet), exclusive of management fee, government rent, government rates and other outgoings
Annual rent payable	: HK\$1,421,532 (taking into account of the rent free period)
Rent free period	: six months (1st, 2nd, 3rd, 13th, 14th, and 24th months of the Lease term)

The Rent was agreed after arm's length negotiation by making reference to the market rate for similar premises in that area. The directors together with the independent non-executive directors of the Company consider that the terms of the Tenancy Agreement are (a) on normal commercial terms, (b) at market rate, (c) fair and reasonable so far as the Company and its shareholders as a whole are concerned and (d) in the interests of the Company.

The Rent will be paid by the Company from its internal resources.

The purpose of the transaction is to renew the tenancy agreement dated 27 April 2001 (the "Previous Tenancy Agreement") for the same office premises to the Company and its subsidiaries. Details of the Previous Tenancy Agreement were set out in the Company's announcement dated 27 April 2001, except that the monthly rent has been reduced from HK\$203,076 to HK\$157,948.

The Landlord has retained two months rental deposit (equivalent to HK\$315,896) paid by the Company under the Previous Tenancy Agreement. The difference between the rental deposit of the Previous Tenancy Agreement and the rental deposit of the Tenancy Agreement will be refunded by the Landlord upon signing the Tenancy Agreement.

There is no provision for early termination in the Tenancy Agreement.

#### **Connected Transaction**

The Landlord is a company wholly owned by Ms Nina Kung, who is a controlling shareholder of the Company holding 34.6% of the issued share capital of the Company. Therefore, the Landlord is an associate of connected person of the Company for the purpose of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a connected transaction for the Company under Rule 14.25 of the Listing Rules.

As the annual rent payable under the Tenancy Agreement, being HK\$1,421,532 (taking into account of the rent free period) is less than 3% of the audited consolidated net tangible assets value of the Company as disclosed in its audited accounts for the year ended 31 December 2002 (which is HK\$945 million), the Company is only required to disclose this connected transaction by way of this press announcement and to include the details of the Tenancy Agreement in its next published annual report of the Company for the year ending 31 December 2003 and, where appropriate, also for each subsequent year, pursuant to Rule 14.25(1)(A) to (D).

#### **General**

The Company is principally engaged in (1) the operation of recreational clubs, (2) Bio-medical business and (3) telecommunications including International Premium Rate Services.

By order of the Board  
**James C. Ng**  
CEO

Hong Kong, 28 May 2003