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enewmedia

e-NEW MEDIA COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 128)

CONTINUING CONNECTED TRANSACTION RENEWAL OF A TENANCY AGREEMENT

The Board of the Company announces that the Company entered into the Tenancy Agreement on 28 April 2005 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 a connected person by reason of its being an associate of connected person of the Company within the meaning of Rule 14A.11 of the Listing Rules. Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

Pursuant to Rule 14A.34 of the Listing Rules, as the annual rent payable under the Tenancy Agreement, being HK\$1,456,200 (after taking into account of the rent free period), is less than 2.5% of each of the applicable percentage ratios, the Company is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements. Details of the Tenancy Agreement will be included in the annual report and accounts of the Company for each of the relevant financial years in accordance with Rule 14A.46 of the Listing Rules.

DETAILS OF THE TENANCY AGREEMENT

The Board announces that the Company entered into the Tenancy Agreement on 28 April 2005 with the Landlord to lease Premises as office premises.

The principal terms of the Tenancy Agreement are summarised as follows: -

Landlord	: Hollywood Palace Company Limited
Tenant	: e-New Media Company Limited
Premises	: Suites 1502 and 1521 on 15th Floor, Chinachem Golden Plaza, 77 Mody Road, Tsimshatsui East, Kowloon, Hong Kong with a total gross area of 8,090 square feet

Lease term : Two years commencing from 1 May 2005 and expiring on 30 April 2007 (both days inclusive)

Rent : HK\$145,620 per month (calculated at the rate of HK\$18 per square feet) exclusive of management fee, government rent, government rates and other outgoings

Annual rent payable : HK\$1,456,200 (taking into account of the rent free period)

Rent free period : Four months (1st, 2nd, 13th and 24th months of the term mentioned above)

REASONS FOR THE TRANSACTION

Since April 2001, the Landlord has been leasing the Premises to the Company as office premises. The existing tenancy agreement dated 26 August 2004 entered into between the Landlord and the Company in respect of the Premises at a monthly rental of HK\$113,260 would expire on 30 April 2005, details of which were included in the Company's announcement dated 26 August 2004. Accordingly, the Company considers it to be commercially necessary and beneficial to renew the tenancy for the Premises so that the Company and its subsidiaries can continue to use the Premises as office premises.

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

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

The terms of the Tenancy Agreement were arrived at arm's length negotiations by making reference to market rents of similar premises in proximity. The Directors (including the Independent Non-executive Directors) are of the opinion that the Tenancy Agreement and the terms and conditions contained herein are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

CONTINUING CONNECTED TRANSACTION

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INFORMATION ON THE COMPANY AND THE LANDLORD

The principal activities of the Company are investment holding and securities trading. The principal activities of its subsidiaries comprise the wholesale and retail of fashion wear and accessories, provision of telecommunications services, resort and recreational club operations and investment holding.

The Landlord is engaged in the property investment for rental income.

GENERAL

As at the date of this announcement, the Executive Directors are Mr. Joseph Wing Kong LEUNG (Chairman), Mr. James C. NG (Chief Executive Officer), Mr. Derek Wai Choi LEUNG and Mr. Wing Tung YEUNG; the Non-executive Director is Mr. Raymond Wai Pun LAU; and the Independent Non-executive Directors are Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN and Mr. Ian Grant ROBINSON.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless context otherwise requires:

“Board”	the board of Directors
“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
“Directors”	the directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Landlord”	Hollywood Palace Company Limited, a company incorporated in the British Virgin Islands as an international business company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Tenancy Agreement”	the tenancy agreement dated 28 April 2005 entered into between the Company as tenant and the Landlord, pursuant to which the Company agreed to lease the Premises for a monthly rent of HK\$145,620 for two years commencing from 1 May 2005 and expiring on 30 April 2007
“Premises”	suites 1502 and 1521 on 15th Floor, Chinachem Golden Plaza, 77 Mody Road, Tsimshatsui East, Kowloon, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” the Hong Kong dollars, the lawful currency of Hong Kong
“%” per cent.

By order of the Board of Directors
e-New Media Company Limited
James C. Ng
Chief Executive Officer

Hong Kong, 28 April 2005

Please also refer to the published version of this announcement in The Standard.