

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I would like to present the Annual Report for e-New Media Company Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2000.

The Group recorded a loss of HK\$205 million for the year, compared with the loss of HK\$5 million for the 9 months ended 31 December 1999. The Board resolved not to pay a dividend in respect of the financial year ended 31 December 2000.

The Group underwent significant changes in the composition of the Board and senior management during and subsequent to the financial year. I was appointed as Chairman of the Board and Mr James C. Ng was appointed as Chief Executive Officer both with effect from 31 March 2001.

The Company raised HK\$861 million through a placement of 235 million shares in January 2000 and issued 163.5 million shares for acquiring 72.3 million shares in AcrossAsia Multimedia Limited, a company listed in the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

There were disruptions in our value-added telecommunications operations due to the departure of certain members of the senior management during the past year. The Management has now been able to minimize the effect from the disruptions and has begun to look for new business opportunities.

Part of the proceeds from the share placement was invested in Internet enabling technologies during the year. With the sharp fall in the value of companies in Internet and technology related industries and keen competition, our Internet technology investments have not achieved the expected results. The carrying values have, therefore, been downward adjusted accordingly.

The performance of the Hong Kong Hilltop Country Club continues to be affected by the slow economic recovery in Hong Kong. The Shanghai Hilltop Country Club, which began its operation in 1999, experienced difficulty in business operation, and was unable to achieve the expected target. The Management has exercised a more prudent and conservative manner in the valuation of the country clubs, resulting in a valuation deficit.

Our management team is now reviewing the operations of the Group as a whole. The cash resources which stood at over HK\$919 million at the balance sheet date place the Group in a strong position to expand the existing businesses as well as to explore new business opportunities.

A detailed analysis of the operation of the Group is contained in the Management Discussion and Analysis section.

On behalf of the Board, I wish to thank my fellow directors, the management and staff for their contribution and loyalty to the Group.

Joseph Wing Kong Leung

Chairman

Hong Kong, 12 April 2001