

The Directors of e-New Media Company Limited (the "Company") announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2001, which have been reviewed by the Company's audit committee.

FINANCIAL RESULTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2001 - unaudited

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2001 \$'000	2000 restated \$'000
Turnover	2	267,478	507,952
Cost of sales		<u>(184,893)</u>	<u>(375,143)</u>
Gross profit		82,585	132,809
Other revenue		361	1,180
Other net loss	3	(48,436)	(10,722)
Administrative and selling expenses		(59,289)	(76,358)
Other operating expenses		<u>(18,031)</u>	<u>(22,155)</u>
(Loss)/profit from operations	2	(42,810)	24,754
Finance costs	4	(3,458)	(5,005)
Share of profits less losses of associates		1,719	824
Share of losses of jointly controlled entities		<u>(1,709)</u>	<u>–</u>
(Loss)/profit before taxation	4	(46,258)	20,573
Taxation	5	<u>–</u>	<u>(2,421)</u>
(Loss)/profit after taxation		(46,258)	18,152
Minority interests		<u>–</u>	<u>3,873</u>
(Loss)/profit for the period attributable to shareholders		<u>(46,258)</u>	<u>22,025</u>
(Loss)/earnings per share	6		
– Basic		<u>(2.80) cents</u>	<u>1.51 cents</u>
– Diluted		<u>(2.80) cents</u>	<u>1.43 cents</u>

The notes on pages 6 to 14 form part of this interim financial report.

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

For the six months ended 30 June 2001 - unaudited

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2001	2000
		restated
Note	\$'000	\$'000
Exchange differences	<u>(374)</u>	<u>397</u>
Net (losses)/gains not recognised in the profit and loss account	<u>(374)</u>	<u>397</u>
Net (loss)/profit for the period:		
As previously reported		7,232
Prior period adjustment arising from change in accounting policy for goodwill	20	<u>14,793</u>
Net (loss)/profit for the period (2000: as restated)	<u>(46,258)</u>	<u>22,025</u>
Total recognised (losses)/gains	<u><u>(46,632)</u></u>	<u><u>22,422</u></u>

The notes on pages 6 to 14 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

At 30 June 2001 - unaudited

(Expressed in Hong Kong dollars)

	Note	At 30 June 2001		At 31 December 2000	
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Fixed assets					
- Investment properties			4,000		4,000
- Other property, plant and equipment			209,571		217,649
	8		<u>213,571</u>		<u>221,649</u>
Interest in associates			7,312		9,609
Interest in jointly controlled entities (fully provided for)			—		—
Investment securities	9		9,437		235,780
Other investments			9,874		2,481
			<u>240,194</u>		<u>469,519</u>
Current assets					
Short term investments		285,068		102,892	
Inventories		490		586	
Trade and other receivables	10	91,440		104,679	
Pledged deposits		113,199		109,098	
Cash and bank balances	11	818,099		810,434	
		<u>1,308,296</u>		<u>1,127,689</u>	
Current liabilities					
Bank loans and overdrafts, secured		50,964		50,139	
Trade and other payables	12	113,698		115,586	
Current portion of debentures	13	8,500		4,060	
Convertible bonds	14	167,046		167,046	
Other loans, unsecured		5,206		5,198	
Taxation		6,034		6,098	
		<u>351,448</u>		<u>348,127</u>	
Net current assets			<u>956,848</u>		<u>779,562</u>
Total assets less current liabilities carried forward			<u>1,197,042</u>		<u>1,249,081</u>

CONSOLIDATED BALANCE SHEET

At 30 June 2001 - unaudited (continued)

(Expressed in Hong Kong dollars)

	Note	At 30 June 2001		At 31 December 2000	
		\$'000	\$'000	\$'000	\$'000
Total assets less current liabilities brought forward			1,197,042		1,249,081
Non-current liabilities					
Debentures	13	10,860		16,270	
Deferred taxation		1,315		1,312	
			12,175		17,582
NET ASSETS			<u>1,184,867</u>		<u>1,231,499</u>
CAPITAL AND RESERVES					
Share capital	15		825,329		825,329
Reserves	16		359,538		406,170
			<u>1,184,867</u>		<u>1,231,499</u>

The notes on pages 6 to 14 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2001 - unaudited

(Expressed in Hong Kong dollars)

	\$'000
Net cash inflow from operating activities	30,356
Net cash outflow from returns on investments and servicing of finance	(3,239)
Tax paid	(75)
Net cash outflow from investing activities	(15,596)
Net cash inflow before financing	11,446
Net cash outflow from financing	(1,279)
Increase in cash and cash equivalents	10,167
Effect of foreign exchange rates	344
Cash and cash equivalents at 1 January 2001	806,885
Cash and cash equivalents at 30 June 2001	<u>817,396</u>
Analysis of the balances of cash and cash equivalents	
Cash and bank balances	818,099
Pledged deposits	46,680
Bank overdrafts and loans repayable within three months from the date of the advance	(47,383)
	<u>817,396</u>

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