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MEDIANATION
INC.

MediaNation Inc.
(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of MediaNation Inc. (the “Company”) will be held at Rooms 3507-09, 35th Floor, The Center, 99 Queen’s Road Central, Hong Kong SAR on Monday, 12th May 2003, at 10:30 a.m. for the following purposes:

1. To consider, approve and adopt the audited financial statements of the Company for the year ended 31st December 2002, the report of the directors of the Company (the “**Directors**”) for the year ended 31st December 2002 and the report of the auditors of the Company (the “**Auditors**”) for the year ended 31st December 2002;
2. To re-elect retiring Directors, namely Ms. Chan Sim Ngor, Summerine; Mr. Cheng Cheung Lun, Julian; Mr. Cheung Leung Hong, Cliff; Mr. Chu Chung Hong, Francis; Ms. Ho Ming Yee; Mr. Kam Ling and Mr. Johannes Schöter for a further and additional term of three years from the date of the Annual General Meeting, and to authorise the Board of Directors to determine their Directors’ fees;
3. To re-appoint the Auditors and to authorise the Board of Directors to determine their remuneration;
4. As special business, to consider and, if thought fit, pass, with or without modifications, the following resolution upon the terms set out below which will be proposed as an ordinary resolution (Note 3):

“4. MANDATE TO ALLOT SHARES

THAT:-

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The

Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued ordinary shares of HK\$0.10 each in the capital of the Company (“**Shares**”) and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:-
 - (i) a Rights Issue (as defined below); or,
 - (ii) the exercise of the subscription rights under any option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to participants of such scheme or arrangement or rights to acquire Shares; or,
 - (iii) any issue of Shares upon the exercise of the subscription rights attaching to any warrants or convertible notes of the Company or any securities which are convertible into Shares; or,
 - (iv) any scrip dividend or similar arrangement providing for allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company,

shall not exceed the aggregate of:-

- (A) 20 percent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution; and,

(B) an amount representing the aggregate nominal value of Shares repurchased by the Company pursuant to the mandate referred to in ordinary resolution no. 5 set out in the Notice of which this resolution forms part, provided that such value shall not exceed 10 percent of the aggregate nominal value of the share capital of the Company in issue on the date of the passing of the ordinary resolution no. 5 set out in the Notice of which this resolution forms part,

and the said approval shall be limited accordingly; and,

(d) for the purposes of this resolution:-

“**Relevant Period**” means the period from the date on which this resolution is passed until whichever is the earliest of:-

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or the Companies Law of the Cayman Islands or any other applicable law of the Cayman Islands to be held; and,

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting;

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

5. As special business, to consider and, if thought fit, pass, with or without modifications, the following resolution upon the terms set out below which will be proposed as an ordinary resolution (*Note 4*):

“5. MANDATE TO REPURCHASE SHARES

THAT:-

- (a) subject to paragraph (b) below and subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to repurchase ordinary shares of HK\$0.10 each in the capital of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and,
- (c) for the purposes of this resolution:-

“**Relevant Period**” means the period from the date on which this resolution is passed until whichever is the earliest of:-

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or the Companies Law of the Cayman Islands or any other applicable law of the Cayman Islands to be held; and,

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. As special business, to consider and, if thought fit, pass, with or without modifications, the following resolution upon the terms set out below which will be proposed as an ordinary resolution (*Note 5*):

“6. CONTINUING CONNECTED TRANSACTIONS

THAT:-

- (a) the outsourcing contract dated 1st June 1999 (the “**Outsourcing Contract**”), a copy of which is produced to the meeting marked “A” and signed by the Chairman for identification, entered into between Top Result Promotion Limited (“**Top Result**”), a wholly-owned subsidiary of the Company, and High Tech Company, of which Mr. Hui Yick Hun, Patrick, a former non-executive Director, is a partner, pursuant to which High Tech Company has agreed to provide certain posting and deposting services to Top Result with effect from 1st June 1999 until 31st October 2004;
- (b) the transactions contemplated under the Outsourcing Contract; and,
- (c) the annual cap in the amount of HK\$17 million relating to the aggregate amount of all transactions contemplated under the Outsourcing Contract in any given financial year;

be and are hereby re-approved.”

By Order of the Board
Sun Qiang, Chang
Chairman

Hong Kong, 27th March 2003

*Head office and principal place
of business:*
Rooms 3507-09, 35th Floor
The Center
99 Queen's Road Central
Hong Kong SAR

Registered office:
P.O. Box 309
Ugland House
George Town
Grand Cayman
Cayman Islands

Notes:

1. Shareholders whose names appear on the register of members of the Company at the close of business on 6th May 2003 are entitled to attend the Annual General Meeting upon completion of the necessary registration process. In order to establish the identity of the members who are entitled to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong SAR, Computershare Hong Kong Investor Services Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong SAR for registration, not later than 4:00 p.m. on 5th May 2003. Each of the shareholders of the Company (or his proxy) shall exercise his voting rights according to the number of Shares with voting rights represented by him and shall be entitled to one vote for each Share held.
2. Every shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a shareholder of the Company. A proxy form is attached. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong SAR at Computershare Hong Kong Investor Services Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong SAR not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and delivery of the form of proxy will not preclude a shareholder from attending and voting at the Annual General Meeting in person if the shareholder so desires.
3. In relation to the proposed Resolution No. 4 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of shares pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**"). The Directors have no immediate plans to issue any new securities of the Company pursuant to the said general mandate other than shares which may fall to be issued upon the exercise of any options granted under the share option scheme of the Company or any scrip dividend scheme.
4. A circular appended with an explanatory statement containing further details regarding the proposed Resolution No. 5 above of the notice of this Annual General Meeting as required by the GEM Listing Rules will be dispatched to the shareholders of the Company together with the 2002 annual report.

5. As disclosed in the section headed “Waivers from compliance with the GEM Listing Rules and the Companies Ordinance” in the prospectus dated 14th January, 2002 (the “**Prospectus**”) issued by the Company, each of the transactions contemplated under the Outsourcing Contract (the “**Connected Transactions**”) constitutes a non-exempt continuing connected transaction under the GEM Listing Rules and, except for a waiver granted by The Stock Exchange of Hong Kong Limited, is normally subject to the reporting and announcement requirements set out in Rules 20.34 and 20.35 of the GEM Listing Rules, respectively, and the shareholders’ approval requirement set out in Rule 20.36 of the GEM Listing Rules. As the Connected Transactions will be conducted in the normal course of business of Top Result and will occur on a regular basis, the Directors (including the non-executive Directors), as stated in the Prospectus, consider that it would not be practical to make ongoing disclosure of such transactions. Accordingly, the Company has applied for, and the Stock Exchange has granted to the Company, a conditional waiver from the announcement and shareholders’ approval requirement as required under Rules 20.35 and 20.36 of the GEM Listing Rules for each of the Connected Transactions. The waiver was granted on the condition that, among other things:

- (a) in each financial year the aggregate amount of all Connected Transactions does not exceed HK\$17.0 million; and
- (b) as the annual cap set out in paragraph (a) above exceeds HK\$10 million, as required by Rule 20.30 of the GEM Listing Rules, the Outsourcing Contract and the annual cap will be subject to review and re-approval by independent shareholders at the annual general meeting following the initial approval and at each subsequent annual general meeting so long as the Connected Transactions continue.

Based on the above, pursuant to Rule 20.30 of the GEM Listing Rules, the Outsourcing Contract and the annual cap are required to be subject to review and re-approval by independent shareholders, i.e., shareholders of the Company other than Mr. Hui Yick Hun, Patrick and his associates (as defined in the GEM Listing Rules), at the Annual General Meeting.

6. If two or more persons are joint holders of a share of the Company, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (1) *the information contained in this announcement is accurate and complete in all material respects and not misleading;*

- (2) *there are no other matters the omission of which would make any statement in this announcement misleading; and,*
- (3) *all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.