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MEDIA NATION
INC.

MediaNation Inc.

(Incorporated in the Cayman Islands with limited liability)

**ANNOUNCEMENT ON
RESULTS OF THE EXTRAORDINARY GENERAL
MEETING
AND DESPATCH OF PROSPECTUS DOCUMENTS**

The board is pleased to announce that the ordinary resolutions in respect of (i) the open offer; (ii) the undertaking by SMI and Warburg to accept the open offer in respect of the shares held by them and to apply for all excess open offer shares not taken up by other qualifying shareholders; (iii) the general mandate, and (iv) the repurchase mandate were duly approved at the EGM. SMI and Warburg and their respective associates had abstained from voting in respect of the ordinary resolutions to approve the open offer and the undertaking by SMI and Warburg to accept the open offer in respect of the shares held by them and to apply for all excess open offer shares not taken up by other qualifying shareholders.

The prospectuses and the application forms have been despatched to the qualifying shareholders on 10th July, 2003 and the prospectuses have been despatched to the overseas shareholders for their information only on the same day. The latest time for acceptance and payment for the open offer shares is 4:00 p.m. on Thursday, 24th July, 2003.

The open offer remains conditional upon the GEM listing committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the open offer shares.

Shareholders and potential investors should exercise caution when dealing in the shares.

INTRODUCTION

Reference is made to the announcement dated 3rd June, 2003 and the circular dated 24th June, 2003 (the “circular”) of MediaNation relating to, amongst other things, the proposed open offer of MediaNation on the basis of two open offer shares for every existing share held at a subscription price of HK\$0.10 per open offer share. Unless otherwise stated, terms used herein shall have the same meaning as those defined in the circular.

RESULTS OF THE EGM

The board is pleased to announce that at the EGM, ordinary resolutions in respect of the open offer and the undertaking by SMI and Warburg to accept the open offer in respect of the shares held by them and to apply for all excess open offer shares not taken up by other qualifying shareholders were duly approved by the independent shareholders. Ordinary resolutions in respect of the granting of the general mandate and repurchase mandate were also duly approved at the EGM.

Each of the deemed controlling shareholders of MediaNation, SMI and Warburg, and their respective associates had abstained from voting in respect of the ordinary resolutions to approve the open offer and the undertaking by SMI and Warburg to accept the open offer in respect of the shares held by them and to apply for all excess open offer shares not taken up by other qualifying shareholders.

OPEN OFFER

As at 10th July, 2003, being the record date for the open offer, there are a total of 601,162,995 shares in issue. On the basis of two open offer shares for every existing share held on the record date, a total of 1,202,325,990 open offer shares will be issued pursuant to the open offer.

DESPATCH OF PROSPECTUS DOCUMENTS

Following the registration of the prospectus documents with the Registrar of Companies in Hong Kong, the prospectuses and the application forms have been despatched to the qualifying shareholders on 10th July, 2003. The prospectuses have been despatched to the overseas shareholders for their information only on the same day.

Qualifying shareholders are reminded that the latest time for acceptance and payment for the open offer shares is 4:00 p.m. on Thursday, 24th July, 2003. Details of the procedures for acceptance and payment are set out in the prospectus and the accompanying application form.

REMAINING CONDITIONS OF THE OPEN OFFER

As at the date of this announcement, items (a), (c) and (d) of the conditions of the open offer as set out in the circular and the prospectus have been satisfied. The open offer remains conditional upon the GEM listing committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the open offer shares. In the event that the condition set out above cannot be fulfilled, the open offer will not proceed.

Shareholder and interested investors are reminded to exercise caution when dealing in the shares. MediaNation will make an appropriate announcement in the event that the open offer does not proceed.

By order of the board
Sun Qiang, Chang
Chairman

Hong Kong, 10th July, 2003

This announcement, for which the directors of MediaNation 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 MediaNation. The directors of MediaNation, 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 aspects 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 GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting.