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MediaNation Inc.

(Incorporated in the Cayman Islands with limited liability)

RESULTS OF THE OPEN OFFER

The board announces that at 4:00 p.m. on Thursday, 24th July, 2003, being the latest time for the application and payment for the open offer shares, MediaNation has received six valid applications for 720,186,352 open offer shares being the assured entitlement and 565,869,638 open offer shares being the excess applications under the open offer, or a total of 1,286,055,990 open offer shares, representing approximately 107% of the total number of open offer shares available for subscription under the open offer. As the open offer is oversubscribed, two valid applications for an aggregate of 64,000 open offer shares under the excess application have been accepted in full and two valid applications for an aggregate of 565,805,638 open offer shares from SMI and Warburg under the excess application have been accepted as to approximately 85.2%.

The open offer has become unconditional on Wednesday, 23rd July, 2003.

INTRODUCTION

Reference is made to the announcement dated 10th July 2003 and the prospectus dated 10th July, 2003 (the “prospectus”) 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 prospectus.

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The open offer has become unconditional on Wednesday, 23rd July, 2003.

Upon completion of the open offer, the public float of MediaNation falls below the minimum threshold of 25% prescribed under the GEM listing rules. SMI and Warburg will make arrangements to place sufficient number of shares, subject to terms and market conditions, so that the shares held by the public will not be less than 25% of the issued share capital of MediaNation.

SHAREHOLDING STRUCTURE OF MEDIANATION

To the best knowledge of the Company, immediately after completion of the open offer, the shareholding structure of MediaNation will be as follows:

	Existing shareholding		Immediately upon completion of the open offer	
	<i>Shares Approximate</i>		<i>Shares Approximate</i>	
		<i>%</i>		<i>%</i>
SMI (<i>Note</i>)	159,130,088	26.47	718,428,083	39.83
Warburg (<i>Note</i>)	159,130,088	26.47	718,428,083	39.83
Mr. Chu Chung				
Hong, Francis	2,467,000	0.41	7,401,000	0.41
Ms. Chan Sim				
Ngor, Summerine	26,252,118	4.37	26,252,118	1.46
Public				
shareholders	<u>254,183,701</u>	<u>42.28</u>	<u>332,979,701</u>	<u>18.47</u>
Total	<u>601,162,995</u>	<u>100.00</u>	<u>1,803,488,985</u>	<u>100.00</u>

Notes:

- Each of SMI and Warburg has applied for (a) 318,260,176 open offer shares under its assured allotment; and (b) 282,902,819 excess open offer shares under the application for excess open offer shares. The shareholding of each of SMI and Warburg has increased as a result of their subscription of the excess open offer shares.

2. Each of SMI and Warburg holds 26.47% of the voting rights attached to the shares and are thus associated companies as defined under the Takeovers Code, and as such are presumed to be parties acting in concert within the definition of the Takeovers Code. The Executive has waived the obligation of SMI and Warburg to make a general offer for the shares pursuant to note 6(b) under rule 26.1 of the Takeovers Code. In reaching this decision, the Executive has stated that it has placed reliance, amongst other things, on the fact that SMI and Warburg have confirmed that they are parties acting in concert, they have maintained the same percentage of voting rights and (save for a brief period in 1998) equal board representation in MediaNation since 1998, the balance of shareholdings within the concert group will not change as a result of the open offer, and the price paid for the open offer shares will be the same as that offered to all shareholders under the open offer.

CERTIFICATE AND DEALINGS

The certificates for the open offer shares are expected to be despatched on Tuesday, 5th August, 2003 to those qualifying shareholders who have accepted and paid for the open offer shares at their own risk to their addresses shown on the register of members of MediaNation.

Dealings in the open offer shares are expected to commence on Thursday, 7th August, 2003.

By order of the board
Sun Qiang, Chang
Chairman

Hong Kong, 4th August, 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.

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