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## **MediaNation Inc.**

**(the “Company”)**

*(Incorporated in the Cayman Islands with limited liability)*

### **ANNOUNCEMENT EXPIRY OF LICENCE AGREEMENT WITH NEW WORLD FIRST BUS SERVICES LIMITED**

The board of directors of the Company would like to announce that the licence agreement in respect of bus body advertising between Top Result Promotion Limited, a wholly-owned subsidiary of the Company, and New World First Bus Services Limited has expired on 31 July 2003.

Pursuant to paragraph 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the board of directors of the Company would like to announce that the licence agreement in respect of bus body advertising between Top Result Promotion Limited, a wholly-owned subsidiary of the Company, and New World First Bus Services Limited (“NWFB”) has expired on 31 July 2003. After serious consideration, the management of the Company declined to accept the offer of renewal of the licence agreement from NWFB due to commercial reasons.

NWFB operates a fleet size of approximately 750 buses. For the financial years ended 31 December 2001 and 2002, the turnover attributable to the licence agreement with NWFB amounted to approximately 8.1% and 6.9% of the total turnover of the Company and its subsidiaries (the “**Group**”), respectively. Since the bus advertising business attributable to the NWFB licence agreement has been loss making since the beginning of 2002, and the percentage of

the Group's turnover attributable to the NWFBL licence agreement was relatively small, the directors of the Company believe that the expiry of the licence agreement will not have any adverse impact on the financial position of the Group.

The Group operates bus advertising business in the PRC and Hong Kong. In Hong Kong, the Group will continue to provide bus body advertising services to The Kowloon Motor Bus Company (1933) Limited which has a fleet size of approximately 4,300 buses on an exclusive basis. In the PRC, the Group also has the exclusive advertising rights to provide bus advertising services on approximately 20,000 buses in 15 major cities. The Group also operates metro advertising business in Beijing and Shanghai through its joint ventures, through which the Group offers customers with advertising spaces on various formats within the Beijing metro system and Line 2 and Line 3 of the Shanghai metro system. The Group has also recently expanded into street furniture advertising in the PRC.

By Order of the Board  
**Sun Qiang, Chang**  
Chairman

Hong Kong  
4 August 2003

*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.*