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MediaNation Inc.

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

CLARIFICATION ANNOUNCEMENT

The Directors of the Company have noted that certain articles appearing in various newspapers today (the “Articles”) contained comments attributed to a Director to the effect that the Company expected to break even or turn a profit in year 2004 and that the Company expected that the new newspaper kiosk business and the new advertising on Red Cross first aid boxes business (the “two new lines of business”) will together account for approximately 5% to 10% of the aggregate revenue of the Group in year 2004.

The Directors would like to point out that in reply to various questions from the press as to whether the Company would be able to turn a profit in year 2004, the Director expressed that there was a possibility but gave no definite answer. The Directors also would like to clarify that in reply to further questions raised by the press as to the revenue contribution from the two new lines of business, the Director roughly estimated the aggregate revenue contribution from the two new lines of business based on his understanding on the business of the Group. The Directors wish to clarify that the aforementioned comments were purely expectations of the Director based on his understanding of the business performance of the Group and therefore they may not be accurate. In addition, the aforementioned comments were not reviewed or endorsed by the Company’s auditors or financial advisors.

Investors are strongly advised to ignore such Articles when making any investment decisions in relation to the securities of the Company and to exercise due diligence when dealing in the securities of the Company.

By Order of the Board
Yuen Kam Sun
Company Secretary

Hong Kong, 12 November, 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, have 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.