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MEDIA NATION
INC.

MediaNation Inc.

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8160)

DISCLOSURE OF A LONG TERM DEPOSIT PURSUANT TO RULES 17.15 AND 17.17 OF THE GEM LISTING RULES

This announcement is made pursuant to Rules 17.15 and 17.17 of the GEM Listing Rules to disclose a long term deposit made by a subsidiary of the Company which exceeded 8% of the Company’s total market capitalization as at 24 January 2005.

As at 24 January 2005, there were 1,803,488,985 shares of the Company in issue. Based on the average closing price of the Company’s shares of HK\$0.136 as stated in the Stock Exchange’s daily quotation sheets for the trading days from 17 January 2005 to 21 January 2005 (both days inclusive), being the five business days immediately preceding 24 January 2005, the total market capitalization of the Company was approximately HK\$245.3 million as at 24 January 2005.

This announcement is made pursuant to Rules 17.15 and 17.17 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”). As at 24 January 2005, the following long term deposit made by a subsidiary of the Company to CGEN Digital Media Network Co., Ltd. (“CGEN”) exceeded 8% of the Company’s total market capitalization:

	Amount	% of total market capitalization
Long term deposit	RMB30.0 million, approximately HK\$28.3 million	11.5%

The long term deposit represented a security deposit for the due performance by the subsidiary of the Company of the terms of an exclusive advertising sales agency agreement (“Agency Agreement”) entered into between CGEN and the subsidiary of the Company in late December 2004. The long term deposit is unsecured, interest free and will be refunded in full (subject to deduction in the event of breaches by the subsidiary of the Company under the Agency Agreement) to the subsidiary of the Company within 30 business days after the expiry of the Agency Agreement on 14 December 2009. CGEN is not a connected person (as defined in the GEM Listing Rules) of the Company.

By Order of the Board
Cheng Ka Chung
Company Secretary

Hong Kong
24 January 2005

As at the date of this announcement, the Board comprises:

Executive Director

Mr. Chu Chung Hong, Francis

Non-Executive Directors

Mr. Sun Qiang, Chang

Mr. Cheung Leung Hong, Cliff

Ms. Ho Ming Yee

Mr. Cheng Cheung Lun, Julian

Independent Non-Executive Directors

Mr. Schöter, Johannes

Mr. Barry John Buttifant

Mr. Duck Young Song

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.