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MEDIANATION
INC.

MediaNation Inc.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8160)

Financial adviser to the Company

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

ANNOUNCEMENT

**Resignation of Directors,
Change in compliance officer, authorised representative
and member of audit committee,
and
Clarification of the number of shares held by public**

- With effect from 21 May 2005, Mr. Chu Chung Hong, Francis has resigned as executive director and Mr. Sun Qiang, Chang, Mr. Cheung Leung Hong, Cliff, Ms. Ho Ming Yee and Mr. Cheng Cheung Lun, Julian have resigned as non-executive Directors of the Company.
- As a result of the change of Directors, Mr. Wong Hon Chiu, Stephen has been appointed as the compliance officer and authorised representative of the Company with effect from 21 May 2005 and Mr. Chu Chung Hong, Francis has ceased to be the compliance officer and authorised representative of the Company with effect from the same time. Mr. David Bourg has also been appointed as a member of the audit committee of the Company with effect from 21 May 2005 and Ms. Ho Ming Yee has ceased to be a member of the audit committee with effect from the same time.
- With reference to the joint announcement dated 24 March 2005 and the Composite Document issued jointly by the Offeror and the Company, the number of Shares held by the public, as defined in the GEM Listing Rules, as at 24 March 2005 and as at the last trading date being 17 March 2005 would be 343,342,819 shares, representing approximately 19.04% of the then issued share capital of the Company.

Reference is made to the joint announcement dated 24 March 2005 jointly issued by the Offeror and the Company and the composite document dated 29 April 2005 jointly issued by the Offeror and the Company (“Composite Document”). Terms used in this announcement shall have the same meanings as those defined in the Composite Document unless otherwise defined herein.

Resignation of Directors

As stated in the Composite Document, Mr. Chu Chung Hong, Francis will resign as executive director and Mr. Sun Qiang, Chang, Mr. Cheung Leung Hong, Cliff, Ms. Ho Ming Yee and Mr. Cheng Cheung Lun, Julian will resign as non-executive Directors of the Company with effect from the later of Completion or the earliest time permitted under the Code or by the SFC.

The Board has accepted the resignations of Mr. Chu Chung Hong, Francis as executive director and Mr. Sun Qiang, Chang, Mr. Cheung Leung Hong, Cliff, Ms. Ho Ming Yee and Mr. Cheng Cheung Lun, Julian as non-executive Directors of the Company with effect from 21 May 2005, being a date after the First Closing Date in accordance with the requirement under the Code. Each of Mr. Sun Qiang, Chang, Mr. Cheung Leung Hong, Cliff, Ms. Ho Ming Yee and Mr. Cheng Cheung Lun, Julian resigned because of the change in control of the Company. Each of them confirmed that there is no disagreement with the Board and there are no matters that need to be brought to the attention of the shareholders of the Company. Reference is made to the announcement of the Company dated 14 April 2005 regarding the circumstances and reason for resignation by Mr. Chu Chung Hong, Francis.

The Board would like to express its thanks and appreciation to Mr. Chu Chung Hong, Francis, Mr. Sun Qiang, Chang, Mr. Cheung Leung Hong, Cliff, Ms. Ho Ming Yee and Mr. Cheng Cheung Lun, Julian.

Change in compliance officer, authorised representative and member of audit committee

As a result of the change of Directors of the Company as described above, Mr. Wong Hon Chiu, Stephen has been appointed as the compliance officer and authorised representative of the Company with effect from 21 May 2005 and Mr. Chu Chung Hong, Francis has ceased to be the compliance officer and authorised representative of

the Company with effect from the same time. As at the date of this announcement, the authorised representatives of the Company are Mr. Wong Hon Chiu, Stephen and Mr. Cheng Ka Chung, the company secretary of the Company.

Mr. David Bourg has also been appointed as a member of the audit committee of the Company with effect from 21 May 2005 and Ms. Ho Ming Yee has ceased to be a member of the audit committee with effect from the same time. As at the date of this announcement, the audit committee of the Company comprises two independent non-executive Directors namely Mr. Schöter, Johannes and Mr. Barry John Buttifant and one non executive director namely Mr. David Bourg.

Clarification of Shares held by the public

Reference is made to the joint announcement made by the Offeror and the Company dated 24 March 2005 in which it was stated that 366,632,819 Shares were held by the public. The number of Shares held by the public referred to above included the 23,290,000 Shares then held by certain Directors of the Company, which under the definition of public set out in the GEM Listing Rules would not be treated as public. As such, the number of shares held by the public, as defined in the GEM Listing Rules, as at 24 March 2005 would be 343,342,819 shares, representing approximately 19.04% of the then issued share capital of the Company. The number of shares which are subject to the Share Offer, being Shares other than the Shares acquired by the Offeror from the Vendors, was 366,632,819 Shares (including the Shares held by certain Directors of the Company) and all of such Shares were therefore included as Shares held by public in the joint announcement.

Reference is made to the letter from Altus Capital Limited appended to the Composite Document. For the percentages of the average daily trading volume of the Shares for the months between April 2004 to April 2005 (up to the Latest Practicable Date) to the total number of Shares held by the public as set out in the table under the paragraphs headed “Trading Liquidity”, the calculation of which

had included the Shares held by certain Directors as at the last trading date, 17 March 2005. The total number of Shares held by the public referred to above, i.e. 366,632,819 Shares, included the 23,290,000 Shares then held by certain Directors of the Company, which under the definition of public set out in the GEM Listing Rules, would not be treated as public. As such, the number of Shares held in public hands, as defined under the GEM Listing Rules, as at 17 March 2005 would be 343,342,819 Shares, representing approximately 19.04% of the then issued share capital of the Company. The number of shares which are subject to the Share Offer, being Shares not already acquired by the Offeror from the Vendors, was 366,632,819 Shares (including the Shares held by certain Directors of the Company) and all of such Shares were therefore included as Shares held by public in the Composite Document.

By Order of
the Board of Directors
MediaNation Inc.
Kam Wai Sum, Brian
Chairman

Hong Kong, 23 May 2005

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the board of the Company comprises:

Executive Directors

Mr. Kam Wai Sum, Brian
Mr. Wong Hon Chiu, Stephen

Non-Executive Directors

Mr. Jean-Charles Decaux
Ms. Isabelle Claude Michele Vitry Schlumberger
Mr. Jean-Michel Jacques Geffroy
Mr. David Bourg

Independent Non-Executive Directors

Mr. Schöter, Johannes
Mr. Barry John Buttifant
Mr. Duck Young Song

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