

**MEDIANATION INCORPORATED :  
GIVE ME THE CASH; LET THE CREDIT GO**

Whenever one sees a new flotation of a company, with the founding shareholders, or the substantial shareholders, selling large chunks of their holdings in that company, then one cannot help but get that sinking feeling in one's stomach.

On reading the Placing and Offer Prospectus of MediaNation Incorporated (Code: 8160, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd), one cannot help but feel one's stomach, drop right through to one's goolies.

Because, of the \$HK1.03-billion flotation, the initial founding shareholders and the substantial shareholders would have liked to have raked in about \$HK533 million of those funds.

That would have been about 52 percent of all the money, hoped to have been raised in this flotation.

This matter is all documented in the Prospectus, at Pages 130 and 131, where it is listed, very clearly, that existing shareholders will be selling a goodly proportion of their holdings.

Those hopes, however, were dashed, just last Monday, when it became only too apparent that things were not going, exactly, as the founding shareholders and the substantial shareholders had hoped when putting together the Prospectus in the first fortnight of this month.

This is a TARGET summary of the information, contained on Pages 130 and 131:.

**Table A**

<b>Name of Party</b>	<b>Number of Shares Sold (assuming full exercise of over-allocation option)</b>	<b>Amount Received (approximately)</b>	<b>Comments</b>
Warburg Pincus Ventures L.P	51,453,920	\$HK195.52 million	A 17.80-percent Shareholder after the Flotation
SMI Investors (PAPE II) Ltd	51,453,920	\$HK195.52 million	A 17.80-percent Shareholder after the Flotation
Southfield Investment Pte Ltd	18,719,416	\$HK71.13 million	A 6.30-percent Shareholder after the Flotation
Simon Asia Entrepreneurial Capital Management LDC	3,743,883	\$HK14.23 million	A 2.70-percent Shareholder after the Flotation
Ms Summerine Chan Sim Ngor	8,488,492	\$HK32.26 million	A Founder of MediaNation
Mr Patrick Hui Yick Hun	4,244,246	\$HK16.13 million	A Founder of MediaNation
Mr Philip Leung Shu Kai	2,122,123	\$HK8.06 million	A Founder of MediaNation
<b>TOTAL</b>	<b>140,226,000</b>	<b>\$HK532.85 MILLION</b>	

One cannot help but wonder as to the valid reason(s) that the above-listed, 7 existing shareholders would want to sell a large part of their shareholdings in the Company – just at the time that it is to graduate from a privately held entity to the status of a publicly traded company.

One may conjecture that, if it is good enough for these shareholders to sell a substantial part of their holdings, then, there is good reason for other shareholders to take similar action.

And/or, for that matter, for the prospective shareholders to stay clear of this Company by virtue of the same logical conclusion.

And it might well follow that there is no good reason for the investing public to subscribe to the new shares of the Company – as became only too true when, last Monday, it was announced that things had not gone as the major shareholders of the Company had formerly ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,  
TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com) or [targnews@hkstar.com](mailto:targnews@hkstar.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*