

ID ARIZONA CORP.
Form 424B3
October 05, 2009

Table of Contents

**Filed pursuant to Rule 424(b)(3)
Registration No. 333-158336**

**PROXY STATEMENT FOR SPECIAL MEETING OF
STOCKHOLDERS OF IDEATION ACQUISITION CORP.**

PROSPECTUS OF ID ARIZONA CORP.

This document serves as a proxy statement containing information about a special meeting of the Ideation stockholders relating to its proposed business combination with SearchMedia, and as a prospectus of ID Arizona with respect to securities to be issued to Ideation stockholders as part of that business combination.

On March 31, 2009, Ideation, ID Arizona, SM Cayman, Jingli Shanghai and certain other parties, including shareholders and warrant holders of SM Cayman, entered into a share exchange agreement. The share exchange agreement provides for two primary transactions: (1) the redomestication of Ideation from a Delaware corporation to a Cayman Islands exempted company and (2) the business combination between ID Cayman and SM Cayman, after which SM Cayman will become a wholly owned subsidiary of ID Cayman.

The redomestication of Ideation involves two steps:

- (i) Ideation will merge with and into ID Arizona, with ID Arizona surviving the merger.
- (ii) Immediately after the Arizona merger, ID Arizona will become a Cayman Islands exempted company, ID Cayman, pursuant to a conversion and continuation procedure under Arizona and Cayman Islands law.

After completing the redomestication, ID Cayman will complete the business combination with the SM Cayman shareholders, in which ID Cayman will acquire all of the issued and outstanding shares of SM Cayman and SM Cayman security holders, including certain SM Cayman noteholders, will receive in aggregate 11,488,810 ordinary shares, or securities exercisable or exchangeable for ordinary shares, of ID Cayman.

This proxy statement/prospectus covers the following ID Arizona securities that will be issued to Ideation stockholders in the Arizona merger: (i) 12,500,000 shares of common stock; (ii) 12,400,000 warrants to purchase shares of common stock and (iii) an option to purchase 500,000 units consisting of 500,000 shares of common stock and 500,000 warrants to purchase shares of common stock. This proxy statement/prospectus also covers the shares of common stock underlying the warrants and units, as well as the units underlying the option. No ID Cayman securities to be issued in the business combination with SM Cayman are covered by this proxy statement/prospectus. All of the securities to be outstanding upon completion of the redomestication and the business combination will be securities of ID Cayman.

In connection with the redomestication and the business combination and pursuant to the terms and conditions of the share exchange agreement, the board of directors of Ideation is seeking stockholder approval of each of the Charter Amendment Proposal, the Redomestication Proposal, the Business Combination Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, the Corporate Existence Proposal, the Share Incentive Plan Proposal, and the Adjournment Proposal, each as further described in

this proxy statement/prospectus. The special meeting will be held at 8:30 am Eastern time on October 27, 2009, at the offices of Akerman Senterfitt, One Southeast 3rd Avenue, Miami, Florida 33131.

After careful consideration, the Ideation board of directors has unanimously determined that the above proposals are fair to and in the best interests of Ideation and its stockholders and has recommended that you vote or give instruction to vote **FOR** the approval of each of them.

Please be aware that if the business combination is approved and completed, each holder of IPO Shares who votes such shares either FOR or AGAINST the business combination may, in connection with casting such vote, elect to convert those shares to cash.

Ideation's units, common stock and warrants trade on the NYSE Amex LLC, formerly known as the American Stock Exchange, under the symbols IDI.U , IDI and IDI.WS , respectively. Following the redomestication and business combination, ID Cayman will reapply to the NYSE Amex in order to continue listing the ordinary shares, warrants and units of ID Cayman on the NYSE Amex. It is unclear whether ID Cayman will meet the requirements for continued listing.

YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 37.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated and is first being mailed to Ideation stockholders on October 5, 2009.

Table of Contents

TABLE OF CONTENTS

<u>SUMMARY MATERIAL TERMS OF THE TRANSACTION</u>	1
<u>The Redomestication</u>	1
<u>The Business Combination</u>	2
<u>Conversion Rights</u>	2
<u>Ownership of ID Cayman following completion of the Business Combination</u>	3
<u>Ideation and Sponsor Purchases</u>	4
<u>ID Cayman New Warrants</u>	5
<u>Post-Closing Financing</u>	5
<u>Accounting Treatment</u>	6
<u>Other Matters</u>	6
<u>Enforceability of Civil Liabilities Against Foreign Persons</u>	7
<u>QUESTIONS AND ANSWERS ABOUT THE IDEATION SPECIAL MEETING</u>	8
<u>SUMMARY</u>	15
<u>The Parties</u>	15
<u>The Business Combination</u>	16
<u>Acquisition Consideration</u>	17
<u>Satisfaction of the 80% Test</u>	18
<u>Conversion Rights</u>	19
<u>Management of ID Cayman; Voting Agreement</u>	19
<u>Lock-Up Agreements</u>	20
<u>Registration Rights Agreement</u>	20
<u>Actions That May Be Taken to Secure Approval of Ideation Stockholders</u>	21
<u>ID Cayman New Warrants</u>	22
<u>Post-Closing Financing</u>	22
<u>Rescission Rights</u>	22
<u>Date, Time and Place of Special Meeting of Ideation Stockholders</u>	23
<u>Voting Power; Record Date</u>	23
<u>Approval of the SearchMedia Shareholders</u>	23
<u>Quorum and Vote Required to Approve the Proposals by the Ideation Stockholders</u>	23
<u>Relationship of Proposals</u>	24
<u>Proxies</u>	24
<u>Stock Ownership</u>	24
<u>Interests of Ideation Officers and Directors in the Business Combination</u>	24
<u>Interests of SearchMedia Officers and Directors in the Business Combination</u>	25
<u>Conditions to the Closing of the Share Exchange Agreement</u>	26
<u>SearchMedia Parties Conditions to Closing of the Share Exchange Agreement</u>	27
<u>Ideation s Conditions to Closing of the Share Exchange Agreement</u>	27
<u>Exclusivity; No Other Negotiation</u>	28
<u>Termination</u>	28
<u>Effect of Termination; Termination Fee</u>	29
<u>Amendment</u>	29
<u>Amendments to Share Exchange Agreement</u>	30
<u>Quotation</u>	32
<u>Indemnification</u>	32
<u>Foreign Private Issuer</u>	33

<u>Comparison of Stockholder Rights</u>	34
<u>Certain U.S. Federal Income Tax Consequences</u>	34
<u>Material PRC Tax Considerations</u>	34
<u>Anticipated Accounting Treatment</u>	35
<u>Regulatory Matters</u>	36
<u>Currency Conversion Rates</u>	36
<u>Risk Factors</u>	36
<u>Board Solicitation</u>	36

Table of Contents

<u>RISK FACTORS</u>	37
<u>Risks Relating to the Business of SearchMedia</u>	37
<u>Risks Relating to Doing Business in the People's Republic of China</u>	46
<u>Risks Relating to the Redomestication and the Business Combination</u>	55
<u>Risks Relating to Ideation Stockholders and Warrantholders</u>	61
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	64
<u>SELECTED SUMMARY HISTORICAL FINANCIAL INFORMATION</u>	65
<u>SearchMedia and Predecessors Selected Historical Financial Data</u>	65
<u>UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS</u>	67
<u>COMPARATIVE PER SHARE DATA</u>	75
<u>PRICE RANGE OF SECURITIES AND DIVIDENDS</u>	76
<u>Ideation</u>	76
<u>SearchMedia</u>	76
<u>THE IDEATION SPECIAL MEETING</u>	77
<u>THE CHARTER AMENDMENT PROPOSAL</u>	84
<u>THE REDOMESTICATION PROPOSAL</u>	86
<u>General</u>	86
<u>Adoption of the Redomestication Proposal</u>	87
<u>The Redomestication</u>	87
<u>Management of ID Cayman</u>	88
<u>Differences of Stockholder Rights</u>	89
<u>Shareholder Approval of Future Business Combinations</u>	89
<u>Ideation</u>	89
<u>ID Cayman</u>	90
<u>Special Vote Required for Combinations with Interested Shareholders</u>	90
<u>Ideation</u>	90
<u>ID Cayman</u>	91
<u>Appraisal Rights and Compulsory Acquisition</u>	91
<u>Ideation</u>	91
<u>ID Cayman</u>	91
<u>Shareholder Consent to Action Without a Meeting</u>	92
<u>Ideation</u>	92
<u>ID Cayman</u>	92
<u>Special Meetings of Shareholders</u>	92
<u>Ideation</u>	92
<u>ID Cayman</u>	92
<u>Distributions and Dividends; Repurchases and Redemptions</u>	92
<u>Ideation</u>	92
<u>ID Cayman</u>	93
<u>Vacancies on Board of Directors</u>	93
<u>Ideation</u>	93
<u>ID Cayman</u>	93
<u>Removal of Directors; Staggered Term of Directors</u>	93
<u>Ideation</u>	93
<u>ID Cayman</u>	93
<u>Inspection of Books and Records</u>	94
<u>Ideation</u>	94
<u>ID Cayman</u>	94

<u>Amendment of Governing Documents</u>	94
<u>Ideation</u>	94
<u>ID Cayman</u>	94
<u>Indemnification of Directors and Officers</u>	95
<u>Ideation</u>	95
<u>ID Cayman</u>	95
<u>Limited Liability of Directors</u>	96

Table of Contents

<u>Ideation</u>	96
<u>ID Cayman</u>	96
<u>Shareholders' Suits</u>	96
<u>Ideation</u>	96
<u>ID Cayman</u>	96
<u>Advance Notification Requirements for Proposals of Shareholders</u>	97
<u>Ideation</u>	97
<u>ID Cayman</u>	97
<u>Cumulative Voting</u>	97
<u>Ideation</u>	97
<u>ID Cayman</u>	98
<u>Defenses Against Hostile Takeovers</u>	98
<u>Rights of Minority Stockholders</u>	98
<u>Transfer of ID Cayman's Securities Upon Death of Holder</u>	99
<u>THE BUSINESS COMBINATION PROPOSAL</u>	99
<u>General Description of the Business Combination</u>	99
<u>Background of the Business Combination</u>	100
<u>Interest of Ideation's Management in the Business Combination</u>	107
<u>Actions That May Be Taken to Secure Approval of Ideation Stockholders</u>	108
<u>Rescission Rights</u>	109
<u>Ideation's Reasons for the Business Combination and Recommendation of the Ideation Board of Directors</u>	110
<u>Potential Advantages of the Business Combination with SearchMedia</u>	113
<u>Potential Disadvantages of the Business Combination with SearchMedia</u>	114
<u>SearchMedia's Reasons for the Business Combination</u>	114
<u>Satisfaction of the 80% Test</u>	115
<u>Fees and Expenses</u>	115
<u>Certain U.S. Federal Income Tax Consequences</u>	116
<u>Certain PRC Tax Considerations</u>	116
<u>Anticipated Accounting Treatment</u>	117
<u>Regulatory Matters</u>	117
<u>THE SHARE EXCHANGE AGREEMENT</u>	117
<u>General</u>	118
<u>Basic Deal Terms</u>	118
<u>Representations and Warranties</u>	121
<u>Conduct of Business Pending Closing</u>	122
<u>Covenants</u>	124
<u>Exclusivity; No Other Negotiation</u>	126
<u>Additional Agreements and Covenants</u>	127
<u>Conditions to Closing</u>	130
<u>Indemnification</u>	132
<u>Termination</u>	133
<u>Effect of Termination; Termination Fee</u>	134
<u>Amendment</u>	135
<u>Amendments to Share Exchange Agreement</u>	135
<u>Regulatory and Other Approvals</u>	137
<u>Recommendation of Ideation's Board of Directors</u>	137
<u>CERTAIN AGREEMENTS RELATING TO THE BUSINESS COMBINATION</u>	137
<u>Lock-Up Agreements</u>	137

<u>Voting Agreement</u>	138
<u>Registration Rights Agreement</u>	139
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	139
<u>General</u>	139
<u>Tax Consequences of the Business Combination with respect to ID Cayman</u>	141
<u>Tax Consequences of the Merger</u>	141

Table of Contents

<u>Tax Consequences of the Conversion</u>	141
<u>Tax Consequences to U.S. Holders of Shares and Warrants of ID Cayman</u>	143
<u>Tax Consequences to Non-U.S. Holders of Shares and Warrants of ID Cayman</u>	148
<u>Backup Withholding and Information Reporting</u>	149
<u>MATERIAL PRC TAX CONSIDERATIONS</u>	149
<u>THE SHARE INCREASE PROPOSAL</u>	150
<u>THE DECLASSIFICATION PROPOSAL</u>	151
<u>THE AMENDMENT PROPOSAL</u>	151
<u>THE SHAREHOLDER CONSENT PROPOSAL</u>	152
<u>THE CORPORATE EXISTENCE PROPOSAL</u>	153
<u>THE SHARE INCENTIVE PLAN PROPOSAL</u>	153
<u>THE ADJOURNMENT PROPOSAL</u>	155
<u>INFORMATION ABOUT SEARCHMEDIA</u>	155
<u>Business Overview</u>	155
<u>Corporate Organization and Operating History</u>	164
<u>Corporate Ownership Structure</u>	166
<u>Intellectual Property</u>	175
<u>Regulatory Matters</u>	175
<u>Facilities</u>	182
<u>Legal Proceedings</u>	182
<u>SEARCHMEDIA S MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	183
<u>Overview</u>	183
<u>SearchMedia s Predecessors and Acquisitions</u>	183
<u>Factors Affecting SearchMedia s Results of Operations</u>	184
<u>Revenues</u>	186
<u>Cost of Revenues and Operating Expenses</u>	187
<u>Cost of Revenues</u>	187
<u>Operating Expenses</u>	188
<u>Share-Based Compensation</u>	189
<u>Amortization Expenses</u>	191
<u>Taxation</u>	191
<u>Critical Accounting Policies</u>	192
<u>Results of Operations</u>	195
<u>Liquidity and Capital Resources</u>	199
<u>Contractual Obligations</u>	202
<u>Off-Balance Sheet Commitments and Arrangements</u>	202
<u>Holding Company Structure</u>	202
<u>Quantitative and Qualitative Disclosures about Market Risk</u>	203
<u>INFORMATION ABOUT IDEATION</u>	205
<u>IDEATION S MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	206
<u>Overview</u>	206
<u>Results of Operations</u>	207
<u>Liquidity and Capital Resources</u>	208
<u>Recent Accounting Pronouncements</u>	209
<u>Critical Accounting Policies</u>	212
<u>DIRECTORS AND EXECUTIVE OFFICERS</u>	214

<u>Voting Agreement</u>	216
<u>Independence of Directors</u>	217
<u>Board Committees</u>	217
<u>Financial Experts on Audit Committee</u>	218
<u>Nominating and Corporate Governance Committee</u>	218
<u>Guidelines for Selecting Director Nominees</u>	218
<u>Code of Ethics</u>	218

Table of Contents

<u>Compensation of Officers and Directors</u>	218
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	219
<u>Ideation Related Party Transactions</u>	219
<u>Other Conflicts of Interest</u>	221
<u>SearchMedia Related Party Transactions</u>	224
<u>Contractual Arrangements with Jingli Shanghai and its Shareholders</u>	224
<u>Contractual Arrangements with Each of Sige, Dale and Conghui and their Respective Shareholders</u>	225
<u>Transactions with SearchMedia s Shareholders, Senior Management Personnel and Affiliated Entities of Companies Acquired by Shanghai Jingli</u>	225
<u>Issuance of promissory notes to affiliates of Ideation and SearchMedia</u>	226
<u>Shareholders Agreement</u>	226
<u>Share Incentives</u>	227
<u>BENEFICIAL OWNERSHIP OF SECURITIES</u>	229
<u>Security Ownership of Ideation</u>	229
<u>Security Ownership of SearchMedia</u>	231
<u>Security Ownership of the Combined Company after the Redomestication and Business Combination</u>	232
<u>DESCRIPTION OF IDEATION S SECURITIES</u>	233
<u>General</u>	233
<u>Units</u>	233
<u>Common Stock</u>	234
<u>Preferred Stock</u>	234
<u>Warrants</u>	235
<u>DESCRIPTION OF ID CAYMAN S SECURITIES FOLLOWING THE BUSINESS COMBINATION</u>	237
<u>General</u>	237
<u>Rights, Preferences and Restrictions of ID Cayman s Ordinary Shares</u>	237
<u>Warrants</u>	238
<u>General Meetings of Shareholders</u>	238
<u>Transfers of shares</u>	238
<u>Inspection of books and records</u>	238
<u>Transfer Agent</u>	239
<u>STOCKHOLDER PROPOSALS</u>	239
<u>LEGAL MATTERS</u>	239
<u>EXPERTS</u>	239
<u>DELIVERY OF DOCUMENTS TO STOCKHOLDERS</u>	240
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	240

ANNEXES

A-1	Agreement and Plan of Merger, Conversion and Share Exchange
A-2	First Amendment to Agreement and Plan of Merger, Conversion and Share Exchange
A-3	Second Amendment and Joinder to Agreement and Plan of Merger, Conversion and Share Exchange
A-4	Third Amendment to Agreement and Plan of Merger, Conversion and Share Exchange
B	Form of SearchMedia Holdings Limited Memorandum and Articles of Association
C	Form of SearchMedia Holdings Limited Warrant
D	ID Arizona Corp. Articles of Incorporation
E	ID Arizona Corp. Bylaws
F	Form of Voting Agreement
G	Form of Lock-Up Agreement
H	Form of Registration Rights Agreement

- I The Amended and Restated SearchMedia Holdings Limited 2008 Share Incentive Plan
- J Opinion of Richards, Layton & Finger, P.A.
- K Letter Agreement, dated September 8, 2009, by and among Ideation and certain investors of Ideation and SM Cayman
- L Form of Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Ideation Acquisition Corp.

Table of Contents

SUMMARY MATERIAL TERMS OF THE TRANSACTION

On March 31, 2009, Ideation, ID Arizona, SM Cayman, Jingli Shanghai and certain other parties, including shareholders and warrant holders of SM Cayman, entered into a share exchange agreement. The share exchange agreement provides for two primary transactions: (1) the redomestication of Ideation from a Delaware corporation to a Cayman Islands exempted company and (2) the business combination between ID Cayman and SM Cayman, after which SM Cayman will become a wholly owned subsidiary of ID Cayman.

This section summarizes information regarding these transactions and other transactions relating to the redomestication and business combination. These items are described in greater detail elsewhere in this proxy statement/prospectus. **You should carefully read this entire proxy statement/prospectus and the other documents to which you are referred.**

The Redomestication

The redomestication of Ideation involves two steps:

- (i) Ideation will merge with and into ID Arizona, with ID Arizona surviving the merger. We refer to this transaction as the Arizona merger.
- (ii) Immediately after the Arizona merger, ID Arizona will become a Cayman Islands exempted company, ID Cayman, pursuant to a conversion and continuation procedure under Arizona and Cayman Islands law. We refer to this transaction as the conversion and continuation and, along with the Arizona merger, as the redomestication.

The redomestication will change Ideation's domicile from Delaware to the Cayman Islands. Also, as a result of the redomestication:

Holders of Ideation units will be issued one ID Arizona unit for each Ideation unit held at the time of the Arizona merger, which, upon the conversion and continuation of ID Arizona to the Cayman Islands, will result in such holders holding one ID Cayman unit for each ID Arizona unit held at the time of the conversion.

Holders of Ideation common stock will be issued one share of ID Arizona common stock for each share of Ideation common stock held at the time of the Arizona merger, which, upon the conversion and continuation of ID Arizona to the Cayman Islands, will result in such holders holding one ID Cayman ordinary share for each share of ID Arizona common stock held at the time of the conversion.

Holders of Ideation warrants will be issued one ID Arizona warrant for each Ideation warrant held at the time of the Arizona merger, which, upon the conversion and continuation of ID Arizona to the Cayman Islands, will result in such holders holding one ID Cayman warrant for each ID Arizona warrant held at the time of the conversion.

Holders of the Ideation option to purchase 500,000 units, consisting of 500,000 shares of common stock and 500,000 warrants, will be issued one ID Arizona option to purchase 500,000 units, consisting of 500,000 shares of common stock and 500,000 warrants, which, upon the conversion and continuation of ID Arizona to the Cayman Islands, will result in such holders holding one ID Cayman option to purchase 500,000 units, consisting of 500,000 ordinary shares and 500,000 warrants of ID Cayman.

This proxy statement/prospectus covers the following ID Arizona securities that will be issued to Ideation stockholders in the Arizona merger:

An aggregate of 12,500,000 shares of common stock issued to the holders of (a) the 10,000,000 shares of Ideation common stock issued as part of the units issued in Ideation's initial public offering, or IPO, and (b) the 2,500,000 shares of Ideation common stock issued to the founders of Ideation upon its incorporation.

An aggregate of 12,400,000 warrants issued to the holders of (a) the 10,000,000 warrants issued by Ideation as part of the units issued in Ideation's IPO and (b) the 2,400,000 warrants issued by Ideation in a private placement transaction that occurred simultaneously with its IPO. This proxy statement/prospectus also covers 12,400,000 shares of common stock issuable upon the exercise of those warrants. A portion of the Ideation common stock and warrants may be held as units consisting of one

Table of Contents

share of common stock and one warrant, which units are also covered by this proxy statement/prospectus.

An option to purchase 500,000 units, consisting of 500,000 shares of common stock and 500,000 warrants, issuable to the representatives of the underwriters of Ideation's IPO, each of which holds an identical option from Ideation.

As soon as practicable after the redomestication, ID Cayman will file with the Securities and Exchange Commission a post-effective amendment to the registration statement of which this proxy statement/prospectus forms a part, expressly adopting the registration statement as its own for all purposes of the Securities Act of 1933 and the Securities Exchange Act of 1934, each as amended, including the registration of ID Cayman securities, which will then be held by former Ideation stockholders as a result of the redomestication.

The redomestication of Ideation is being submitted to the vote of Ideation stockholders and will be approved if stockholders representing a majority of the shares of Ideation that are issued and outstanding vote **FOR** the proposal. The redomestication will take place only if the Business Combination Proposal is approved.

The Business Combination

After completing the redomestication, ID Cayman will complete the business combination with the SM Cayman shareholders, in which:

After giving effect to conversion of the preferred shares of SM Cayman, at closing, ID Cayman will acquire 98,652,365 ordinary shares of SM Cayman, representing 100% of SM Cayman shares in issue.

SM Cayman shareholders will receive 6,662,727 ordinary shares of ID Cayman.

SM Cayman warrant holders will receive warrants to purchase 1,519,186 ordinary shares of ID Cayman.

SM Cayman option holders will receive options to purchase 566,939 ordinary shares of ID Cayman.

SM Cayman holders of restricted share awards will receive 261,179 restricted share awards of ID Cayman.

Certain SM Cayman noteholders will receive 1,712,874 ordinary shares of ID Cayman and warrants to purchase 428,219 ordinary shares of ID Cayman.

In connection with the redomestication and the business combination, stockholders will be asked to approve an amendment to Section D of Article Sixth of Ideation's Amended and Restated Certificate of Incorporation to provide conversion rights to holders of IPO Shares upon approval of the business combination, regardless of whether such holder voted for or against the business combination. It is important to note that the charter amendment, if approved, would not change the voting standard for a business combination under Ideation's Certificate of Incorporation, in that the business combination will not be approved if 30% or more of the holders of IPO Shares both vote against the transaction and elect to convert their IPO Shares.

The Business Combination Proposal will be submitted to the vote of Ideation stockholders only if both the Charter Amendment Proposal and the Redomestication Proposal are approved. If it comes to a vote, the Business Combination Proposal will be approved and the business combination completed only if (1) the Business Combination Proposal is approved by a majority of the IPO Shares voted at a duly held stockholders meeting in person or by proxy, (2) the Business Combination Proposal is approved by a majority of the votes cast on the proposal, and (3) stockholders representing less than 30% of the IPO Shares both (a) vote against the business combination and (b) exercise their

conversion rights to have their shares of common stock converted to cash. The closing of the business combination is also subject to the satisfaction by each party of various other conditions as set forth in the share exchange agreement and discussed in detail below.

Conversion Rights

If the business combination is approved and completed, any stockholder holding IPO Shares who properly demands conversion of those shares will be entitled to convert those shares to cash, whether such stockholder voted for or against the Business Combination Proposal. Stockholders who properly demand conversion of their IPO Shares will receive \$7.8815 per share, which represents the trust conversion value at June 30, 2009.

Table of Contents

To properly demand conversion of your IPO Shares, you must:

- (1) vote those shares, in person or by proxy, either **FOR** or **AGAINST** the business combination;
- (2) affirmatively request conversion of those shares by marking the appropriate box on your proxy card, voting instruction form, or ballot; and
- (3) deliver, or instruct your bank or broker to deliver, your IPO Shares to Ideation's transfer agent before the special meeting.

Stockholders holding IPO Shares who abstain or do not vote their IPO Shares on the business combination will forfeit their right to convert those shares if the business combination is approved. Both of the Charter Amendment Proposal and the Redomestication Proposal must be approved in order to complete the business combination and, as such, the vote to approve the business combination will not occur unless both the Charter Amendment Proposal and the Redomestication Proposal are approved.

If the business combination is not approved and completed, then no conversion rights will be available at this time. Ideation's Amended and Restated Certificate of Incorporation provides that if a business combination is not completed by November 19, 2009, Ideation will be liquidated. If Ideation liquidates on November 19, 2009, holders of IPO Shares will receive \$7.8815 per share, which represents the trust liquidation value at June 30, 2009.

Ownership of ID Cayman following completion of the Business Combination

The following chart sets forth the parties to the redomestication and business combination transactions:

If the business combination is approved, based on the trading price of Ideation common stock at September 28, 2009, and using the treasury method to account for the warrants, options, and restricted share awards to be issued, the aggregate value of the securities to be issued as consideration at the closing of the business combination (inclusive of the maximum number of earn-out shares to be issued) will be \$156.7 million.

Upon the closing of the business combination, under the treasury method and using the trust liquidation value per share of \$7.8815, assuming no stockholders owning IPO Shares elect to convert those shares to cash, the current shareholders of SM Cayman are expected to own an aggregate of 39.1% of the basic and 37.5% of the fully diluted issued and outstanding shares of ID Cayman, assuming no earn-out shares are issued. Assuming the maximum number of earn-out shares are issued, the current shareholders of SM Cayman are expected to own an aggregate of 59.0% of the basic and 55.5% of the fully diluted issued and outstanding shares of ID Cayman.

Assuming the business combination is approved but all stockholders owning IPO Shares, except for The Frost Group, LLC, its affiliates and others owning IPO Shares purchased in satisfaction of the Sponsor Purchase Commitment Amount, as defined below, exercise their conversion rights, the current shareholders of SM Cayman are expected to own an aggregate of 70.0% of the basic and 59.2% of the fully diluted issued and outstanding shares of ID Cayman, if no earn-out shares are issued. Assuming the maximum number of earn-out shares are issued, the current shareholders of SM Cayman are expected to own an aggregate of 83.9% of the basic and 75.2% of the fully diluted issued and outstanding shares of ID Cayman. In each case discussed

Table of Contents

above, the percentages include ID Cayman shares issuable upon the conversion of interim financing notes held by CSV, certain affiliates of Ideation, and members of SearchMedia's management team.

Upon the closing of the business combination, under the treasury method and using the trust liquidation value per share of \$7.8815, assuming no stockholder owning IPO Shares elects to convert those shares to cash, current Ideation stockholders are expected to beneficially own 60.9% of the basic and 62.5% of the fully diluted issued and outstanding ordinary shares of ID Cayman, assuming no earn-out shares are issued. Assuming the maximum number of earn-out shares are issued, current Ideation stockholders are expected to beneficially own 41.0% of the basic and 44.5% of the fully diluted issued and outstanding ordinary shares of ID Cayman.

Assuming the business combination is approved but all stockholders owning IPO Shares, except for The Frost Group, LLC, its affiliates and others owning IPO Shares purchased in satisfaction of the Sponsor Purchase Commitment Amount, as defined below, exercise their conversion rights, current Ideation stockholders are expected to beneficially own 30.0% of the basic and 40.8% of the fully diluted issued and outstanding ordinary shares of ID Cayman, if no earn-out shares are issued. Assuming the maximum number of earn-out shares are issued, current Ideation stockholders are expected to beneficially own 16.1% of the basic and 24.8% of the fully diluted issued and outstanding ordinary shares of ID Cayman.

Ideation and Sponsor Purchases

After April 1, 2009, Ideation may seek to purchase, or enter into contracts to purchase, shares of Ideation common stock either in the open market or in privately negotiated transactions. Any such purchases and contracts would be effected pursuant to a 10b(5)-1 plan or at a time when Ideation, its initial stockholders or their affiliates are not aware of material nonpublic information regarding Ideation or its securities. Such purchases could involve the incurrence of indebtedness by Ideation, payment of significant fees or interest payments or the issuance of any additional Ideation securities. Any purchases other than ordinary course purchases require the prior approval of the SM Cayman shareholders' representatives, which approval may not be unreasonably withheld or delayed. If such approval is unreasonably withheld or delayed under certain circumstances, the obligation of The Frost Group, LLC to make sponsor purchases (discussed below) will terminate. An ordinary course purchase is a forward purchase between Ideation and a non-affiliate Ideation stockholder in which Ideation will purchase some or all of such stockholders shares of Ideation after closing, which contracts are not binding on SM Cayman or its assets. A condition to the closing of such contracts will be that all shares purchased would be voted in favor of the business combination. These purchases or arrangements could result in an expenditure of a substantial amount of funds in the trust account. Any share purchases by Ideation from existing Ideation stockholders would increase the post-transaction percentage of ID Cayman equity held by the current shareholders of SM Cayman.

Commencing on April 1, 2009 and continuing until no later than 4:30 p.m. Eastern standard time on the day that is two business days before the special meeting of Ideation stockholders, The Frost Group, LLC, through itself, its affiliates or others, will purchase and/or enter into forward contracts to purchase shares of Ideation common stock in the open market or in privately negotiated transactions in an amount, which we refer to as the Sponsor Purchase Commitment Amount, equal to the lesser of (i) an aggregate expenditure of \$18.25 million and (ii) an amount that, when combined with certain purchases of Ideation common stock by Ideation, certain warrant exercises (as described below), and proxies delivered by Ideation stockholders not electing their conversion rights would result in ID Cayman having an aggregate of not less than \$18.25 million in cash available to it in its trust account (or other accounts) after the closing of the business combination and before payment of expenses. Such purchases will be conducted in compliance with the Securities Act of 1933, as amended, which we refer to as the Securities Act, the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and any other applicable law.

The Frost Group, LLC, through itself, its affiliates, or others, owns 777,900 IPO Shares consisting of (i) 250,000 shares acquired as part of 250,000 units purchased in the IPO, (ii) 206,800 shares purchased between the date of the IPO and March 31, 2009, and (iii) 321,100 shares purchased between April 1, 2009 and September 28, 2009 pursuant to the arrangements described above. In addition, The Frost Group, LLC, through itself, its affiliates, or others, has purchased warrants to acquire 1,291,200 shares (including 250,000 warrants acquired as part of 250,000 units purchased in the IPO). The aggregate amount of shares and

Table of Contents

warrants purchased pursuant to the arrangements described above and the total number of IPO Shares held by The Frost Group, LLC, through itself, its affiliates, or others will be disclosed to Ideation stockholders in a Current Report on Form 8-K as soon as practicable before the open of trading on the NYSE Amex on the day that is one business day before the special meeting of Ideation stockholders. We acknowledge that the timing of this disclosure limits the amount of time Ideation stockholders will have to consider the impact of these purchases before such stockholders submit a proxy, revoke a previously submitted proxy or otherwise vote on the proposals to be considered at the special meeting.

To the extent that The Frost Group, LLC, through itself, its affiliates or others, has not otherwise satisfied the Sponsor Purchase Commitment Amount by the day that is two days before the special meeting of Ideation stockholders, The Frost Group, LLC through itself, its affiliates or others may satisfy this obligation before the closing of the business combination by delivering into an escrow account irrevocable written notices to exercise all or any of the Ideation public warrants held by such persons, together with the cash exercise price therefor, in an amount up to the amount necessary to satisfy the Sponsor Purchase Commitment Amount. Public warrants are warrants which formed part of the units purchased in Ideation's IPO. Any such public warrant exercises will be effective immediately after the closing of the business combination, and would result in additional cash to Ideation. To the extent that The Frost Group, LLC, through itself, its affiliates or others, does not otherwise satisfy the Sponsor Purchase Commitment Amount, Ideation has agreed to sell shares of Ideation common stock at a per share price of \$7.8815 to The Frost Group LLC, its affiliates or others as necessary to satisfy the Sponsor Purchase Commitment Amount, which would result in additional cash to Ideation. Such purchases may be made, as necessary, up to ten days after the closing of the business combination pursuant to a purchase agreement with customary registration rights.

Any sponsor purchases of Ideation shares in the open market would have no impact on the post-transaction ownership of ID Cayman by current SM Cayman shareholders. Any sponsor purchase from Ideation, through public warrant exercises or otherwise, would decrease the post-transaction percentage of ID Cayman interests held by the current shareholders of SM Cayman.

ID Cayman New Warrants

In consideration of the Sponsor Purchase Commitment Amount and the commitment of the interim noteholders and holder of the Linden Note, whom we refer to collectively as the Converting Noteholders, to convert such notes to ordinary shares of ID Cayman, the Frost Group, LLC and its affiliates and the Converting Noteholders shall, immediately prior to closing of the business combination, be issued a warrant to purchase 0.25 of an ID Cayman share for each share purchased in satisfaction of the Sponsor Purchase Commitment Amount or acquired upon conversion of such notes. The exercise price per whole ID Cayman share underlying such warrants shall be \$7.8815, and the aggregate number of shares underlying such warrants held by any particular warrant holder shall be rounded up to the nearest whole share.

Post-Closing Financing

Ideation has entered into a letter agreement with the interim noteholders and the holder of the Linden Note, whom we refer collectively as the Converting Noteholders, and The Frost Group, LLC. Pursuant to the letter agreement, if at any time during the two years following the closing of the business combination, ID Cayman issues any preferred shares or other equity securities (including securities convertible into or exchangeable for preferred shares or other equity securities), the parties to the letter agreement will have the right to exchange, for such securities, any ordinary shares of ID Cayman acquired by them as a result of:

- (1) conversion of an interim note from SM Cayman or the Linden Note;

- (2) warrant exercises to satisfy the Sponsor Purchase Commitment Amount; or
- (3) open market purchases or new issuances of Ideation shares to satisfy the Sponsor Purchase Commitment Amount,

up to the amount of such issuance by ID Cayman. The valuation of the exchanged ordinary shares will be \$7.8815 per share. Ideation will enter into the same letter agreement with any other person or entity that purchases Ideation shares in satisfaction of the Sponsor Purchase Commitment Amount after the date hereof.

Table of Contents

Accounting Treatment

The business combination will be accounted for as a reverse recapitalization, whereby SM Cayman will be the continuing entity for financial reporting purposes and will be deemed to be the accounting acquirer of Ideation.

The business combination is being accounted for as a reverse recapitalization because (i) after the redomestication and business combination, the former shareholders of SM Cayman will have actual or effective voting and operating control of ID Cayman, as SearchMedia's operations will comprise the ongoing operations of ID Cayman, and the senior management of SearchMedia will continue to serve as the senior management of ID Cayman, and (ii) Ideation has no prior operations and was formed for the purpose of effecting a business combination such as the proposed business combination with SearchMedia. In accordance with the applicable accounting guidance for accounting for the business combination as a reverse recapitalization, initially SM Cayman will be deemed to have undergone a recapitalization, whereby its outstanding ordinary shares and warrants will be converted into 6,662,727 ordinary shares of ID Cayman and 1,519,186 ID Cayman warrants. Immediately thereafter, ID Cayman, as the legal parent company of SM Cayman, which is the continuing accounting entity, will be deemed to have acquired the assets and assumed the liabilities of Ideation in exchange for the issuance of ID Cayman securities, which will be identical in number and terms and similar in rights to the outstanding securities of Ideation, provided that, although the securities are similar in rights, significant differences are discussed in the section titled "The Redomestication Proposal Differences of Stockholders Rights." However, although ID Cayman, as the legal parent company of SearchMedia, will be deemed to have acquired Ideation, in accordance with the applicable accounting guidance for accounting for a reverse recapitalization, Ideation's assets and liabilities will be recorded at their historical carrying amounts, which approximate their fair value, with no goodwill or other intangible assets recorded.

Other Matters

At the closing of the business combination, ID Cayman will enter into the following agreements:

Lock-up agreements with all of the SearchMedia shareholders and warrant holders and ID Cayman directors designated by the SM shareholders' representatives. These lock-up agreements provide that parties bound to such agreements may not sell or otherwise transfer any of the shares of ID Cayman, securities convertible into or exchangeable or exercisable for shares of ID Cayman, or shares underlying such securities held by them or received in connection with the business combination, subject to exceptions for underwritten offerings and transfers by the SearchMedia shareholders that are in compliance with applicable federal and state securities laws to persons who agree in writing to be bound by the terms of the lock-up agreement. The SearchMedia non-management shareholders are bound by such lock-up restrictions for a period of six months from the closing date with respect to 25% of such securities and 12 months from the closing date with respect to the remaining 75% of such securities; provided that with respect to shares or other securities acquired (or underlying securities acquired) by CSV in exchange for SM Cayman warrants, SM Cayman preferred shares or other SM Cayman securities exercisable for, or convertible into, SM Cayman ordinary shares, CSV will be subject to the same lock-up period as the other non-management shareholders, and with respect to shares acquired by CSV in exchange for SM Cayman ordinary shares held by it immediately prior to the closing of the business combination, the lock-up period shall apply until twelve months from the closing date with respect to 10% of such shares, eighteen months from the closing date with respect to 15% of such shares and twenty-four months from the closing date with respect to the remaining 75% of such shares. In addition, 1,268,795 ordinary shares and 396,826 warrants of ID Cayman (and shares underlying such warrants) issuable to Linden Ventures II (BVI) Ltd., which we refer to as Linden Ventures, as a warrant holder and upon conversion of the Linden Note pursuant to the share exchange agreement, will be subject to lock-up for six months. The management shareholders and warrant holders and the ID Cayman directors designated by the SM Cayman

shareholders, as well as SM Cayman optionees who exercise their options or restricted share award holders whose shares vest during the one year after closing, are subject to such lock-up restrictions for 12 months after the closing date with respect to the shares or other securities received in connection with the business combination or

Table of Contents

underlying securities received in connection with the business combination, provided, that with respect to Le Yang and Qinying Liu, the lock-up period shall apply from 12 months after the closing of the share exchange agreement with respect to ten percent (10%) of the shares or other securities received in connection with the business combination or underlying securities received in connection with the business combination, 18 months after the closing of the share exchange agreement with respect to fifteen percent (15%) of such securities, and 24 months after the closing of the share exchange agreement with respect to the remaining seventy-five percent (75%) of such securities.

A voting agreement that provides, among other things, that for a period commencing on the closing of the business combination and ending no sooner than the third anniversary of the date of the voting agreement, each SearchMedia shareholder and warrant holder will agree to vote in favor of the director nominees nominated by the Ideation representative as provided in the share exchange agreement, and certain significant shareholders of Ideation will agree to vote in favor of the director nominees nominated by the SM Cayman shareholders representatives.

A registration rights agreement pursuant to which the SearchMedia shareholders will be entitled to registration rights for their ID Cayman ordinary shares, including ordinary shares underlying warrants and preferred shares, received in connection with the business combination.

Enforceability of Civil Liabilities Against Foreign Persons

ID Cayman will be a company registered by way of continuance as an exempted company under the laws of the Cayman Islands and, upon completion of the business combination with SearchMedia, its subsidiaries and operating companies will be incorporated under the laws of the Cayman Islands and the People's Republic of China, which we refer to as PRC or China, and will operate only in the PRC. Substantially all of the assets of ID Cayman and its subsidiaries, including those of the SearchMedia entities, will be located in the PRC, and the majority of ID Cayman's officers and directors named in this proxy statement/prospectus will reside outside the United States and all or a substantial portion of the assets of these persons will or may be located outside the United States.

It will be difficult for investors to enforce outside the United States a judgment against ID Cayman or its subsidiaries or its assets obtained in the United States in any actions, including actions predicated upon the civil liability provisions of the federal securities laws of the United States or of the securities laws of any state of the United States. In addition, it may not be possible for investors to effect service of process within the United States upon them, or to enforce against them any judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States or of the securities laws of any state of the United States.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE IDEATION SPECIAL MEETING

The Questions and Answers below are only summaries of matters described in this proxy statement/prospectus. They do not contain all of the information that may be important to you. You should read carefully the entire document, including the annexes to this proxy statement/prospectus.

Q. When and where will the special meeting be held?

A. The meeting will be held at 8:30 am Eastern time on October 27, 2009 at the offices of Akerman Senterfitt, One Southeast 3rd Avenue, Miami, Florida 33131.

Q. What is the record date for the special meeting?

A. The Ideation board of directors has fixed the record date as the close of business on October 2, 2009, as the date for determining Ideation stockholders entitled to receive notice of and to vote at the special meeting.

Q. What is Being Voted On?

A. You are being asked to vote on ten proposals:

The approval of an amendment to Section D of Article Sixth of Ideation's Amended and Restated Certificate of Incorporation to provide conversion rights to holders of IPO Shares, upon approval of the business combination, regardless of whether such holder votes for or against the business combination. We refer to this proposal as the Charter Amendment Proposal.

The approval of the redomestication of Ideation to the Cayman Islands, resulting in it becoming ID Cayman. We refer to this proposal as the Redomestication Proposal.

The approval of the proposed share exchange resulting in SM Cayman becoming a wholly owned subsidiary of ID Cayman. We refer to this proposal as the Business Combination Proposal.

The approval of the authorization of 1,000,000,000 ordinary shares and 10,000,000 preferred shares in ID Cayman's Memorandum of Association, as compared to 50,000,000 shares of common stock and 1,000,000 shares of preferred stock currently authorized in Ideation's Amended and Restated Certificate of Incorporation. We refer to this proposal as the Share Increase Proposal.

The approval of the elimination in ID Cayman's Articles of Association of the classified board currently authorized in Ideation's Amended and Restated Certificate of Incorporation. We refer to this proposal as the Declassification Proposal.

The approval of a provision in ID Cayman's Articles of Association providing that the amendment of either of ID Cayman's Memorandum of Association or Articles of Association will require a vote of two-thirds of its shareholders, entitled to do so, voting in person or by proxy at a meeting, of which notice specifying the intention to propose a special resolution for such amendment has been given, as compared to the vote of a majority of the outstanding stock as set forth in Ideation's Amended and Restated Certificate of Incorporation. We refer to this proposal as the Amendment Proposal.

The approval of a provision in ID Cayman's Articles of Association providing that the ID Cayman shareholders may pass resolutions without holding a meeting only if such resolutions are passed by a unanimous written resolution signed by all of the shareholders entitled to vote, as opposed to the provisions in Ideation's Amended and Restated Certificate of Incorporation that provide that stockholders may not take action without a meeting. We refer to this proposal as the Shareholder Consent Proposal.

The approval of a provision in ID Cayman's Memorandum of Association providing for the perpetual existence of ID Cayman, as compared to a provision providing for the termination of Ideation's existence on November 19, 2009 as set forth in Ideation's Amended and Restated Certificate of Incorporation. We refer to this proposal as the Corporate Existence Proposal.

The approval of the Amended and Restated 2008 Share Incentive Plan. We refer to this proposal as the Share Incentive Plan Proposal.

The approval of an adjournment or postponement of the special meeting for the purpose of soliciting additional proxies. We refer to this proposal as the Adjournment Proposal.

Q. Why is Ideation proposing the redomestication to the Cayman Islands?

- A. As substantially all of the business operations of SearchMedia are conducted outside the United States, Ideation and SearchMedia decided to complete the redomestication to the Cayman Islands as part of the business combination.

Table of Contents

Q. How will the redomestication be accomplished?

- A. The redomestication will be accomplished in two steps. First, Ideation will effect a merger pursuant to which it will merge with and into ID Arizona, its wholly owned Arizona subsidiary, with ID Arizona surviving the merger. After the merger, ID Arizona will become a Cayman Islands exempted company, ID Cayman, pursuant to a conversion and continuation procedure under Arizona and Cayman Islands law. As a result of the redomestication, each Ideation stockholder will become a shareholder in ID Cayman instead of Ideation.

The redomestication will be completed in two steps to take advantage of Arizona corporate law requiring the approval of a majority of ID Arizona's outstanding shares to approve the conversion and continuation of ID Arizona as ID Cayman rather than the approval of all of the outstanding shares as would be required under Delaware corporate law.

Q. Why is an Arizona subsidiary involved in the redomestication?

- A. As noted in the answer to the prior question, Delaware law would require the approval of 100% of Ideation's outstanding shares to change its place of incorporation to the Cayman Islands by conversion and continuation. Because Ideation's common stock is publicly traded, 100% approval cannot reasonably be obtained. By using an Arizona subsidiary in an intermediate step, Ideation is only required to obtain approval of a majority of its outstanding shares of common stock to effect the conversion and continuation.

Q. What will I receive in the redomestication?

- A. The redomestication will change Ideation's domicile from Delaware to the Cayman Islands. Also, as a result of the redomestication:

Holders of Ideation units will be issued one ID Arizona unit for each Ideation unit held at the time of the Arizona merger, which, upon the conversion and continuation of ID Arizona to the Cayman Islands, will result in such holders holding one ID Cayman unit for each ID Arizona unit held at the time of the conversion.

Holders of Ideation common stock will be issued one share of ID Arizona common stock for each share of Ideation common stock held at the time of the Arizona merger, which, upon the conversion and continuation of ID Arizona to the Cayman Islands, will result in such holders holding one ID Cayman ordinary share for each share of ID Arizona common stock held at the time of the conversion.

Holders of Ideation warrants will be issued one ID Arizona warrant for each Ideation warrant held at the time of the Arizona merger, which, upon the conversion and continuation of ID Arizona to the Cayman Islands, will result in such holders holding one ID Cayman warrant for each ID Arizona warrant held at the time of the conversion.

Holders of the Ideation option to purchase 500,000 units, consisting of 500,000 shares of common stock and 500,000 warrants, will be issued one ID Arizona option to purchase 500,000 units, consisting of 500,000 shares of common stock and 500,000 warrants, which, upon the conversion and continuation of ID Arizona to the Cayman Islands, will result in such holders holding one ID Cayman option to purchase 500,000 units, consisting of 500,000 ordinary shares and 500,000 warrants of ID Cayman.

Q. Why is Ideation proposing the business combination?

- A. Ideation was organized to effect a business combination with an operating business. Ideation's proposed business combination qualifies as a business combination under Ideation's Amended and Restated Certificate of Incorporation. After the consummation of the business combination, the operating company of ID Cayman will be Jieli Investment Management Consulting (Shanghai) Co., Ltd., a PRC entity wholly owned by SM Cayman. Ideation believes that a business combination with SearchMedia will provide Ideation stockholders with an opportunity to invest in a company with significant growth potential. If Ideation is unable to complete the business combination with SearchMedia or another business combination by November 19, 2009, it will be forced to liquidate and distribute to the holders of IPO Shares the amount in the trust account, with any remaining net assets being distributed to the holders of IPO Shares. See "The Business Combination Proposal" below.

Table of Contents

Q. Why are Ideation stockholders being asked to approve actions that will be taken by ID Cayman?

A. Ideation stockholders are being asked to approve the entry into the business combination by ID Cayman because Ideation's Amended and Restated Certificate of Incorporation requires that the majority of the Ideation shares of common stock approve its business combination with SearchMedia and the business combination will not take effect unless and until Ideation's corporate domicile becomes the Cayman Islands.

Q. What will the name of the surviving company be after the redomestication and the business combination have been consummated?

A. The name of the surviving corporation after the consummation of the redomestication and the business combination will be SearchMedia Holdings Limited.

Q. What happens if the redomestication and the business combination are not consummated?

A. If Ideation does not redomesticate and acquire SearchMedia in the business combination, and is unable to consummate an alternate business combination before November 19, 2009, Ideation will be forced to liquidate and distribute to the holders of IPO Shares their *pro rata* portion of the amount of the funds available in the trust account, plus any other net assets not used or reserved to pay obligations and claims or such other corporate expenses relating to or arising from the plan of dissolution and distribution. Following liquidation, Ideation would no longer exist as a corporation.

In any liquidation, the funds held in the trust account, plus any interest earned thereon (net of taxes payable), less the portion of such interest previously paid to Ideation, plus any other net assets not used or reserved to pay obligations and claims or such other corporate expenses relating to or arising from the plan of dissolution and distribution, will be distributed *pro rata* to the stockholders of IPO Shares. At June 30, 2009, the trust conversion value per share was \$7.8815.

Q. Why is Ideation proposing the Charter Amendment Proposal?

A. Under the terms of the proposed charter amendment, if the business combination is approved and completed, stockholders holding IPO Shares who vote those shares either for or against the business combination will have the opportunity to either (1) continue to hold their IPO Shares, which will convert into shares of ID Cayman upon completion of the redomestication and business combination, or (2) convert their IPO Shares into cash upon the closing of the business combination.

Ideation believes that extending the right to elect conversion to those holders of IPO Shares who vote for the business combination will provide incentive to holders of IPO Shares to vote in favor of the business combination, since a business combination must be approved in order for a conversion to occur before the liquidation of the company. As such, Ideation believes holders of IPO Shares who want to convert their shares will vote to approve both the charter amendment and the business combination in order to obtain the conversion value of their IPO Shares in connection with the closing of the business combination, rather than having to wait for the liquidation of the company.

Q. Will the Charter Amendment Proposal change any rights of stockholders holding IPO Shares?

A. No. The charter amendment would not alter or adversely affect the right of stockholders holding IPO Shares to convert their shares under Article Sixth as currently in effect. The charter amendment would merely extend this

right to convert to those holders of IPO Shares who vote to approve the business combination, as well as those who vote against the business combination.

It is important to note that the charter amendment, if approved, would not change the voting standard for a business combination under Ideation's Certificate of Incorporation, in that the business combination will not be approved if 30% or more of the holders of IPO Shares both vote against the transaction and elect to convert their IPO Shares.

Q. Do Ideation stockholders have conversion rights?

- A. Yes. Any holder of IPO Shares who votes those shares either for or against the business combination and properly demands conversion of their IPO Shares will be entitled to convert their IPO Shares to cash, if the business combination is approved and completed.

Table of Contents

The per-share conversion price will equal the amount in Ideation's trust account, inclusive of any interest not otherwise payable to Ideation, as of two business days before the consummation of the business combination, less taxes payable, divided by the number of shares of common stock issued in Ideation's IPO, which, as of June 30, 2009, would be \$7.8815 per share.

If the business combination is not approved and completed, then no conversion rights will be available at this time. Holders of warrants issued by Ideation do not have conversion rights relating to those warrants.

Q. If I have conversion rights, how do I properly demand conversion of my IPO Shares?

A. To properly demand conversion of your IPO Shares, you must:

- (1) vote your IPO Shares, in person or by proxy, either **FOR** or **AGAINST** the business combination;
- (2) affirmatively request conversion of your IPO Shares by marking the appropriate box on your proxy card, voting information card, or ballot; and
- (3) deliver, or instruct your bank or broker to deliver, your IPO Shares to Ideation's transfer agent before the special meeting.

Stockholders holding IPO Shares who abstain or do not vote their IPO Shares on the business combination will forfeit their right to convert those shares if the business combination is approved.

Q. Why is Ideation proposing the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal and the Corporate Existence Proposal?

A. Ideation is proposing the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal and the Corporate Existence Proposal as ID Cayman's Memorandum and Articles of Association includes provisions that are materially different from Ideation's Amended and Restated Certificate of Incorporation, and the Ideation stockholders would be entitled to vote on such changes if they were proposed as amendments to Ideation's Certificate of Incorporation.

Q. Why is Ideation proposing the Share Incentive Plan Proposal?

A. Ideation is proposing the Share Incentive Plan Proposal to enable it to attract, retain and reward ID Cayman's directors, officers, employees and consultants using equity-based incentives. The Amended and Restated 2008 Share Incentive Plan has been approved by the Ideation board of directors and will be effective upon the consummation of the business combination, subject to stockholder approval of the plan. Ideation does not expect to grant any awards under the plan until after the consummation of the business combination.

Q. Why is Ideation proposing the Adjournment Proposal?

A. Ideation is proposing to approve an adjournment or postponement of the special meeting so that Ideation may delay the meeting in the event that it appears that the other proposals to be presented at the meeting will not be approved. This will provide Ideation's management with more time to solicit stockholders to vote or change their votes.

Q. Has the Ideation board of directors made a recommendation regarding how to vote on these proposals?

- A. After careful consideration of the redomestication plan, the business combination and the terms and conditions of the share exchange agreement, the board of directors of Ideation has determined that each of the Charter Amendment Proposal, the Redomestication Proposal, the Business Combination Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, the Corporate Existence Proposal, the Share Incentive Plan Proposal, and the Adjournment Proposal are in the best interests of the Ideation stockholders, and recommends that Ideation stockholders vote **FOR** each of these proposals.

Table of Contents

In reaching its decision with respect to the business combination and the transactions contemplated thereby, the board of directors of Ideation reviewed various industry and financial data and the due diligence and evaluation materials provided by the SearchMedia shareholders.

You should read the section titled **Interests of Ideation Officers and Directors in the Business Combination** for a discussion of how the interests of the Ideation executive officers and directors are different from your interests as a stockholder.

Q. How do the Ideation insiders intend to vote their shares?

- A. All of the Ideation insiders, including its officers and directors, will vote all of their common stock **FOR** all the proposals. However, some of the insiders' shares were issued before Ideation's IPO and insiders holding those shares are contractually obligated to vote those shares in accordance with the majority of the IPO Shares on the Business Combination Proposal. The Frost Group, LLC and its affiliates are contractually obligated not to convert any IPO Shares held by them in connection with voting **FOR** the Business Combination Proposal.

Q. Will Ideation purchase shares of Ideation common stock before the special meeting?

- A. Ideation may seek to purchase, or enter into contracts to purchase, shares of Ideation common stock either in the open market or in privately negotiated transactions. Any such purchases and contracts would be effected pursuant to a 10b(5)-1 plan or at a time when Ideation, its initial stockholders or their affiliates are not aware of material nonpublic information regarding Ideation or its securities. Such purchases could involve the incurrence of indebtedness by Ideation, payment of significant fees or interest payments or the issuance of any additional Ideation securities. Any purchases other than ordinary course purchases shall require the prior approval of the SM Cayman shareholders' representatives, any such approval not to be unreasonably withheld or delayed. If such approval is unreasonably withheld or delayed under certain circumstances, the obligation of The Frost Group, LLC to make sponsor purchases will terminate. An ordinary course purchase is a forward purchase between Ideation and a non-affiliate Ideation stockholder in which Ideation will purchase some or all of such stockholders' shares of Ideation after closing, which contracts are not binding on SM Cayman or its assets. A condition to the closing of such contracts will be that all shares purchased would be voted in favor of the business combination. These purchases or arrangements could result in an expenditure of a substantial amount of funds in the trust account.

Q. Will the Frost Group, LLC or its affiliates purchase shares of Ideation common stock before the special meeting?

- A. Commencing on April 1, 2009 and continuing until no later than 4:30 p.m. Eastern standard time on the day that is two business days before the special meeting of Ideation stockholders, The Frost Group, LLC, through itself, its affiliates or others, will purchase and/or enter into forward contracts to purchase shares of Ideation common stock in the open market or in privately negotiated transactions in an amount equal to the Sponsor Purchase Commitment Amount. Such purchases will be conducted in compliance with the Securities Act, the Exchange Act and any other applicable law.

The aggregate amount of shares purchased pursuant to these arrangements will be disclosed to Ideation stockholders in a Current Report on Form 8-K as soon as practicable before the open of trading on the NYSE Amex on the day that is one business day before the special meeting of Ideation stockholders. We acknowledge that the timing of this disclosure limits the amount of time Ideation stockholders will have to consider the impact of these purchases before such stockholders submit a proxy, revoke a previously submitted proxy or otherwise

vote on the proposals to be considered at the special meeting.

Q. If the business combination is completed, how much dilution will Ideation stockholders experience?

- A. Currently there are 12,500,000 shares of Ideation common stock issued and outstanding. Upon the consummation of the business combination, at least 6,662,727 ordinary shares will be issued to SearchMedia shareholders and 1,712,874 ordinary shares and warrants to purchase 428,219 ordinary shares will be issued to the interim note holders. As a result, immediately following the business

Table of Contents

combination, assuming no Ideation stockholder converts its shares of common stock into a *pro rata* portion of funds available in the trust account, current Ideation stockholders are expected to beneficially own 60.9% of the basic and 62.5% of the fully diluted issued and outstanding ordinary shares of ID Cayman, assuming no earn-out shares are issued. Assuming the maximum number of earn-out shares are issued, current Ideation stockholders are expected to beneficially own 41.0% of the basic and 44.5% of the fully diluted issued and outstanding ordinary shares of ID Cayman.

Assuming the business combination is approved but all stockholders owning IPO Shares, except for The Frost Group, LLC, its affiliates and others owning IPO Shares purchased in satisfaction of the Sponsor Purchase Commitment Amount, exercise their conversion rights, current Ideation stockholders are expected to beneficially own 30.0% of the basic and 40.8% of the fully diluted issued and outstanding ordinary shares of ID Cayman, if no earn-out shares are issued. Assuming the maximum number of earn-out shares are issued, current Ideation stockholders are expected to beneficially own 16.1% of the basic and 24.8% of the fully diluted issued and outstanding ordinary shares of ID Cayman.

To the extent outstanding warrants are exercised after the business combination, current Ideation stockholders will experience further dilution of their ownership interest. In addition, following the consummation of the business combination, and upon the approval of the Share Incentive Plan Proposal, ID Cayman will establish a share incentive plan under which it may issue equity awards to qualified employees in an amount up to 8% of its total outstanding shares. The issuance of such equity awards would also dilute the ownership interests of the existing ID Cayman shareholders at the time of issuance.

Q. Do Ideation stockholders have appraisal rights under Delaware law or dissenters rights under Arizona law?

A. The Ideation stockholders do not have appraisal rights under Delaware corporate law or dissenters rights under Arizona corporate law.

Q. What will happen to the funds deposited in the trust account after the business combination is completed?

A. Ideation stockholders exercising conversion rights will receive their *pro rata* portion of the trust account. The balance of the funds available in the trust account will be released from the trust account to ID Cayman and will be used for payments to be made in connection with any forward contracts entered into by Ideation in connection with the business combination, as well as for potential acquisitions and for operating capital after the closing of the business combination.

Q. Since Ideation's IPO prospectus contained information that is different from the information described in this proxy statement/prospectus and matters to be proposed at the special meeting, what are my legal rights?

A. Ideation's Amended and Restated Certificate of Incorporation and IPO prospectus stated that only those holders of IPO Shares who vote against the business combination will have the right to convert their IPO Shares into cash if the business combination is approved and completed. Furthermore, Ideation's IPO prospectus stated that specific provisions in its Amended and Restated Certificate of Incorporation, including provisions of Article Sixth setting forth your conversion rights, would not be amended prior to the consummation of an initial business combination without the affirmative vote of 95% of the outstanding shares of common stock of the company. The IPO prospectus further stated that while the validity under Delaware law of a 95% supermajority provision restricting the ability to amend the charter has not been settled, Ideation would not take any actions to waive or amend any of those provisions.

Ideation is now taking action to amend Section D of Article Sixth of the Amended and Restated Certificate of Incorporation and extend conversion rights upon completion of the business combination to holders of IPO Shares who vote either for or against the business combination. Accordingly, each purchaser of IPO Shares or warrants issued in the IPO could assert federal or state securities law claims against Ideation for rescission, if such purchaser still holds the securities, or damages, if such purchaser no longer holds the securities. In a rescission claim, a successful claimant has the right to receive the total amount paid for the securities purchased pursuant to an allegedly deficient prospectus, plus interest

Table of Contents

and less any income earned on the securities, in exchange for surrender of the securities. In a claim for damages, a successful claimant may be awarded compensation for loss on an investment caused by an alleged material misrepresentation or omission in the sale of a security, including, possibly, punitive damages, together with interest.

Q. When do you expect the business combination to be completed?

A. It is anticipated that the business combination will be completed as soon as practicable following the Ideation special meeting on October 27, 2009.

Q. If I am not going to attend the special meeting in person, should I return my proxy card instead?

A. Yes. After carefully reading and considering the information in this proxy statement/prospectus, please fill out and sign your proxy card. Then return it in the return envelope as soon as possible, so that your shares may be represented at the special meeting. A properly executed proxy will be counted for the purpose of determining the existence of a quorum.

Q. How do I change my vote?

A. You must send a later-dated, signed proxy card to Ideation's secretary prior to the date of the special meeting or attend the special meeting in person and vote. If your shares are held in an account with a brokerage firm or bank, you can vote in person at the meeting only by obtaining a proxy from your brokerage firm or bank.

Q. If my shares are held in street name, will my broker automatically vote them for me?

A. No. Your broker can vote your shares only if you provide instructions on how to vote. You should instruct your broker to vote your shares. Your broker can tell you how to provide these instructions.

Q. Do I need to turn in my old certificates?

A. If you do not elect to convert your shares to cash, and the business combination is approved, you do not need to exchange your Ideation stock certificates for ID Cayman certificates. Your current certificates will be deemed to represent your rights in ID Cayman. Following the consummation of the business combination, you may exchange them by contacting the transfer agent, Continental Stock Transfer & Trust Company, Reorganization Department, and following their requirements for reissuance. If you elect conversion, you will need to deliver your old certificates, either physically or electronically, to Continental Stock Transfer & Trust Company, before the special meeting.

Q. Who can help answer my questions?

A. If you have questions, you may contact Morrow & Co., LLC, Ideation's proxy solicitor, at:

470 West Avenue
Stamford, Connecticut 06902
Telephone: (800) 662-5200

If you intend to convert your IPO Shares to cash, you or your broker or bank will need to deliver your IPO Shares, either physically or electronically, to Ideation's transfer agent before the special meeting. If you have questions regarding delivery of your IPO Shares, please contact:

Mr. Mark Zimkind
Continental Stock Transfer & Trust Company
17 Battery Place
New York, New York 10004
Tel: (212) 845-3287
Fax: (212) 616-7616

Table of Contents

SUMMARY

This summary highlights selected information from this proxy statement/prospectus and does not contain all of the information that is important to you. To better understand the redomestication and business combination, you should carefully read this entire document and the other documents to which this proxy statement/prospectus refers you, including the share exchange agreement attached as Annex A to this proxy statement/prospectus. The share exchange agreement is the legal document that governs the redomestication and the business combination and the other transactions that will be undertaken in connection with the redomestication and the business combination. The share exchange agreement is also described in detail elsewhere in this proxy statement/prospectus.

The Parties

Ideation Acquisition Corp.

Ideation Acquisition Corp. is a blank check company organized under the laws of the State of Delaware on June 1, 2007. Ideation was formed for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more businesses. On November 26, 2007, it consummated an IPO of its equity securities, from which it derived net proceeds of approximately \$74.5 million. The entirety of the funds raised in the IPO plus amounts raised in a private placement completed immediately prior to the IPO, or approximately \$78.8 million, were placed in a trust account. Such funds and a portion of the interest earned thereon will be released upon consummation of the business combination and used to pay any amounts payable to Ideation stockholders who exercise their conversion rights. The remaining proceeds will be used for payments to be made in connection with forward contracts, acquisitions and operating capital subsequent to the closing of the business combination. Other than its IPO and the pursuit of a business combination, Ideation has not engaged in any business to date.

If Ideation does not complete the business combination on or before November 19, 2009, Ideation will dissolve and promptly distribute to the holders of IPO Shares the amount in its trust account, less interest previously paid to Ideation, and will distribute to the holders of IPO Shares any remaining net assets after payment of its liabilities from non-trust account funds.

ID Arizona

ID Arizona is an Arizona corporation. It has transacted no business to date except in connection with the redomestication and related transactions. All ID Arizona shares are currently held by Ideation.

SearchMedia Holdings Limited

SearchMedia Holdings Limited, or ID Cayman, will be a Cayman Islands exempted company. In the redomestication, ID Arizona will be converted into and continue its existence as ID Cayman. After the redomestication, you will be a shareholder of ID Cayman.

The mailing address of the principal executive offices for Ideation and ID Arizona is Ideation Acquisition Corp., 1105 N. Market Street, Suite 1300, Wilmington, Delaware 19801, and its telephone number is (310) 694-8150.

SearchMedia International Limited

SearchMedia International Limited, or SM Cayman, is an exempted holding company formed with limited liability under the laws of the Cayman Islands in February 2007. SM Cayman conducts its operations through its direct and indirect subsidiaries, including Jieli Investment Management Consulting (Shanghai) Co., Ltd., or Jieli Consulting, a limited liability company incorporated under the laws of China in June 2007, and its consolidated variable interest entities in China. For a description of the agreements between SM Cayman and its variable interest entities, please refer to SearchMedia Related Party Transactions Contractual Agreements with Jingli Shanghai and its Shareholders.

Table of Contents

SearchMedia is a leading nationwide multi-platform media company and one of the largest operators of integrated outdoor billboard and in-elevator advertising networks in China. It ranked first in market share of in-elevator advertising displays in 13 out of the 26 most affluent cities in China and ranked second in an additional nine of these cities, according to Nielsen Media Research, an independent research company, in its July 2008 report commissioned by SearchMedia, or the Nielsen Report. SearchMedia's core outdoor billboard and in-elevator platforms are complemented by its subway advertising platform, which together enable it to provide multi-platform, one-stop shop services for its local, national and international advertising clients that numbered more than 780 cumulatively from its inception to July 31, 2009.

Targeting the rapidly growing number of urban and increasingly affluent Chinese consumers, SearchMedia deploys its advertising network across the following select media platforms:

Outdoor billboard platform. SearchMedia operates a network of over 1,500 high-impact billboards with over 500,000 square feet of surface display area in 15 cities, including Beijing, Hong Kong, Qingdao, Shanghai, Shenyang, Shenzhen, Guangzhou, Chongqing and Chengdu. Its billboards are mostly large format billboards deployed in commercial centers and other desirable areas with heavy vehicle and/or foot traffic. SearchMedia has demonstrated its ability to acquire high-profile billboard contracts with its success in 2007 in securing the billboard advertising rights at the Bund, a landmark destination in Shanghai.

In-elevator platform. SearchMedia's network of over 175,000 printed and digital poster frames delivers targeted advertising messages inside elevators to captive audiences in high-rise residential and office buildings in 57 major cities in China. The in-elevator platform targets the affluent urban population that is highly desired by advertisers and is characterized by its low cost structure and minimal capital requirements. According to the Nielsen Report, SearchMedia ranked first in market share of in-elevator advertising displays in 13 out of the 26 most affluent cities in China and ranked second in an additional nine of these cities. These 26 cities were among China's most affluent measured by urban disposable income per capita and GDP per capita in 2007, and together accounted for 65% of all advertising expenditures on traditional media, including TV, newspaper and magazines in China in 2007.

Subway advertising platform. SearchMedia operates a network of large-format light boxes in concourses of eight major subway lines in Shanghai. According to the Metro Authority of Shanghai, in 2008, these subway lines carried an aggregate average daily traffic of approximately three million commuters.

SearchMedia's principal executive offices are located at 4B, Ying Long Building, 1358 Yan An Road West, Shanghai 200052, People's Republic of China, and its telephone number is (86-21) 5169 0552.

The Business Combination

The share exchange agreement provides for a business combination transaction by means of a share exchange with the shareholders of SM Cayman, which would result in SM Cayman becoming a wholly owned subsidiary of ID Cayman. This will be accomplished through an exchange of all the ordinary shares, options, warrants, and restricted share awards of SM Cayman for ordinary shares, options, warrants, and restricted share awards of ID Cayman. Ideation and SearchMedia plan to complete the business combination promptly after the Ideation special meeting, provided that:

Ideation stockholders have approved each of the Charter Amendment Proposal, the Redomestication Proposal, the Business Combination Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, the Corporate Existence Proposal, and the Share Incentive Plan Proposal in accordance with the voting standard or voting standards applicable to the proposal, as described below; and

the other conditions specified in the share exchange agreement have been satisfied or waived.

Table of Contents**Acquisition Consideration**

The holders of the outstanding ordinary and preferred shares of SM Cayman immediately before the business combination will receive from ID Cayman 6,662,727 ordinary shares of ID Cayman. Certain holders of SM Cayman promissory notes will receive 1,712,874 ordinary shares of ID Cayman and warrants to purchase 428,219 ordinary shares of ID Cayman. The holders of the outstanding warrants of SM Cayman immediately before the business combination will receive from ID Cayman warrants to purchase 1,519,186 ordinary shares of ID Cayman. Each restricted share award of SM Cayman that has not fully vested before the business combination will be assumed by ID Cayman and converted into a restricted share award of ID Cayman. The holder of each such award will be entitled to receive a number of ID Cayman shares equal to (i) the number of ordinary shares of SM Cayman that were subject to the award before the business combination multiplied by (ii) 0.0675374, rounded down to the nearest whole number of shares. The holders of any ID Cayman shares delivered upon the vesting of an ID Cayman restricted share award before the one year anniversary of the closing of the business combination shall be subject to lock-up restrictions until such anniversary. Each option of SM Cayman that has not been exercised before the business combination will be assumed by ID Cayman and converted into an option to purchase ordinary shares of ID Cayman. Each such option of ID Cayman will be exercisable for a number of ID Cayman ordinary shares equal to (i) the number of ordinary shares of SM Cayman that were subject to the option before the business combination multiplied by (ii) 0.0675374, rounded down to the nearest whole number of shares. The per share exercise price of each such option of ID Cayman will be (i) the original per share exercise price of the option of SM Cayman divided by (ii) 0.0675374, rounded up to the nearest whole cent. The holders of any ID Cayman shares delivered upon the exercise of an ID Cayman option before the one year anniversary of the closing of the business combination shall be subject to lock-up restrictions until such anniversary.

ID Cayman has also agreed to issue to the holders of the outstanding ordinary shares, Series A, Series B and Series C preferred shares and warrants of SM Cayman up to 10,150,352 additional ID Cayman ordinary shares, which we refer to as the earn-out shares, pursuant to an earn-out provision in the share exchange agreement based on the adjusted net income of the combined company for the fiscal year ending December 31, 2009. Holders of any other outstanding preferred shares (if any), share options, or restricted share awards of SM Cayman will not be entitled to receive any of the 10,150,352 earn-out shares, even if these securities are converted into (in the case of preferred shares) or exercised for (in the case of options), ordinary shares of SM Cayman, or vest (in the case of restricted share awards), before the business combination.

The term *adjusted net income* means consolidated net income, as determined in accordance with generally accepted accounting principles of the United States consistently applied, excluding:

expenses arising from or in connection with dividends or deemed dividends paid or payable on any preferred shares of SM Cayman and the redemption features of any preferred shares of SM Cayman and other expenses relating to the preferential features of any preferred shares of SM Cayman;

any income or loss from a minority investment in any other entity by any of the SM entities and each of their subsidiaries, or the SM Cayman group companies;

any expenses arising from or in connection with the issue of any preferred shares of SM Cayman;

any compensation charges attributable to the repurchase by SM Cayman of an aggregate of 3,000,000 ordinary and preferred shares of SM Cayman and the grants by SM Cayman of awards to employees of SM Cayman and its subsidiaries of options exercisable for an aggregate of 3,000,000 ordinary shares of SM Cayman;

non-cash financial expenses arising from the issuance of any equity securities (as defined in the Memorandum and Articles of Association of SM Cayman);

non-recurring extraordinary items (including, without limitation, any accounting charges, costs or expenses arising from or in connection with the transactions contemplated by the share exchange agreement);

Table of Contents

any costs, expenses or other items relating or attributable to that certain Convertible Note and Warrant Agreement dated as of March 17, 2008 among SM Cayman, Linden Ventures and the other parties thereto, as amended on September 15, 2008, December 18, 2008, March 12, 2009, and August 21, 2009, (including the issuance of the Linden Note (as defined in the agreement) as amended on September 15, 2008, December 18, 2008, March 12, 2009, and August 21, 2009);

all revenues, expenses and other items (including acquisition-related charges) relating or attributable to the acquisition of a majority of the outstanding equity interests of, or all or substantially all of the assets of, any other entity or business by ID Cayman or any of the SM Cayman group companies following the closing of the business combination (not including the leasing or subleasing of a billboard, elevator frame unit or other media asset or advertising right);

the effect of any change in accounting principles; or

any accounting charges, costs or expenses incurred by ID Cayman or SM Cayman arising from or in connection with the issuance and delivery of any earn-out shares.

For reference purposes, the adjusted net income of SearchMedia for 2008 based on the foregoing formula was \$18.5 million.

The 10,150,352 earn-out shares will be issued to the holders of ordinary shares, Series A, Series B and Series C preferred shares and warrants of SM Cayman as follows:

If ID Cayman's adjusted net income for the fiscal year ending December 31, 2009 is equal to or greater than \$25.7 million, ID Cayman will issue an aggregate number of earn-out shares calculated in accordance with the formula below. If ID Cayman's adjusted net income for the fiscal year ending December 31, 2009 is equal to or greater than \$38.4 million, adjusted net income shall be deemed to be equal to \$38.4 million for purposes of the formula.

$$\text{Earn-out Shares Issued} = \frac{(\text{2009 adjusted net income} - \$25.7 \text{ million})}{\$12.7 \text{ million}} \times 10,150,352 \text{ shares}$$

If on or prior to April 15, 2010 a bona fide definitive agreement is executed and the subsequent consummation of the transactions contemplated by such agreement results in a change of control of ID Cayman, then, regardless of whether the targeted net income threshold has been met, ID Cayman shall issue and deliver all of the earn-out shares to the holders of ordinary shares, Series A, Series B and Series C preferred shares and warrants of SM Cayman, if the change of control is approved by a majority of the independent directors then on the board of directors of ID Cayman or if the acquisition consideration delivered to the shareholders of ID Cayman in the change of control has a value (as determined in good faith by a majority of the independent directors then on the board of directors of ID Cayman) that is equal to at least \$11.82 per share on a fully diluted basis (as equitably adjusted for any stock split, combinations, stock dividends, recapitalizations or similar events). Such earn-out share payments shall be issued and delivered promptly after the occurrence of such change of control.

Based on the trading price of Ideation common stock at September 28, 2009, and using the treasury method of valuation for the warrants, options, and restricted share awards to be issued, the aggregate value of the securities to be issued as consideration at the closing of the business combination (inclusive of the maximum number of earn-out shares to be issued) will be \$156.7 million.

Satisfaction of the 80% Test

The Ideation board of directors has determined that the fair market value of SearchMedia is at least 80% of Ideation's net assets. The Ideation board of directors derived a minimum equity valuation of \$176.7 million for SearchMedia based upon a comparative price analysis of the price earnings ratio for companies similar to SearchMedia and the anticipated price earnings ratio of SearchMedia. The board of directors came to the determination that, since the fair market value of SearchMedia is at least equal to 80% of Ideation's net assets before taking into account the earn-out payments, the earn-out thresholds, if achieved, would only represent an increase in the value of SearchMedia, which would therefore further exceed the 80% threshold. See the section

Table of Contents

titled **The Business Combination Proposal** **Satisfaction of the 80% Test** for more information on the analysis conducted by Ideation's management.

Conversion Rights

If the business combination is approved and completed, any stockholder holding IPO Shares who properly demands conversion of those shares will be entitled to convert those shares to cash, whether such stockholder voted for or against the Business Combination Proposal. Stockholders who properly demand conversion of their IPO Shares will receive \$7.8815 per share, which represents the trust conversion value at June 30, 2009.

To properly demand conversion of your IPO Shares, you must:

- (1) vote those shares, in person or by proxy, either **FOR** or **AGAINST** the business combination;
- (2) affirmatively request conversion of those shares by marking the appropriate box on your proxy card, voting instruction form, or ballot; and
- (3) deliver, or instruct your bank or broker to deliver, your IPO Shares to Ideation's transfer agent before the special meeting.

Stockholders holding IPO Shares who abstain or do not vote their IPO Shares on the business combination will forfeit their right to convert those shares if the business combination is approved. Both of the Charter Amendment Proposal and the Redomestication Proposal must be approved in order to complete the business combination and, as such, the vote to approve the business combination will not occur unless both the Charter Amendment Proposal and the Redomestication Proposal are approved.

If the business combination is not approved and completed, then no conversion rights will be available at this time. Ideation's Amended and Restated Certificate of Incorporation provides that if a business combination is not completed by November 19, 2009, Ideation will be liquidated. If Ideation liquidates on November 19, 2009, holders of IPO Shares will receive \$7.8815 per share, which represents the trust liquidation value at June 30, 2009.

Management of ID Cayman; Voting Agreement

Upon the consummation of the business combination, the initial ID Cayman board of directors will consist of eight directors, four of which the SearchMedia shareholders' representatives will designate and four of which the Ideation representative will designate. Of the four directors designated by each of SearchMedia and Ideation (i) at least two directors designated by the Ideation representative and three directors designated by the SearchMedia shareholders' representatives shall be independent directors as defined in the rules and regulations of the NYSE Amex, and (ii) at least one of the Ideation directors and three of the SearchMedia directors shall be non-U.S. citizens. Upon the consummation of the business combination, ID Cayman's directors are expected to be Ms. Qinying Liu, Mr. Earl Yen, Mr. Jianzhong Qu, Mr. Larry Lu, Mr. Robert Fried, Mr. Steven D. Rubin, Mr. Glenn Halpryn, and Mr. Chi-Chuan Chen. Messrs. Yen, Qu, Lu, Halpryn, and Chen are expected to be independent directors.

At the closing of the business combination, CSV, Qinying Liu, Le Yang, Vervain Equity Investment Limited, Sun Hing Associates Limited, and Linden Ventures, each a SearchMedia shareholder, and Frost Gamma Investments Trust, Robert Fried, Rao Uppaluri, Steven Rubin and Jane Hsiao and ID Cayman will enter into a voting agreement. The voting agreement provides, among other things, that, for a period commencing on the closing of the business combination and ending on the third anniversary of the date of such closing, each party to the voting agreement will agree to vote in favor of the director nominees nominated by the Ideation representative and the SM Cayman

shareholders' representatives as provided in the share exchange agreement. The voting agreement is attached as Annex F hereto. We encourage you to read the voting agreement in its entirety.

Table of Contents

After the consummation of the business combination, the executive officers of ID Cayman will be:

Garbo Lee, President;
Jennifer Huang, Chief Operating Officer; and
Andrew Gormley, Executive Vice President.

See the section titled **Directors and Executive Officers** for biographical information about ID Cayman's directors and executive officers after the consummation of the business combination.

Lock-Up Agreements

At the closing, the SM Cayman shareholders and warrant holders, and the ID Cayman directors designated by the SM Cayman shareholders' representatives will enter into lock-up agreements providing that they may not sell or otherwise transfer any shares of ID Cayman or any other securities convertible into or exercisable or exchangeable for shares of ID Cayman that are beneficially owned and/or acquired by them (or underlying any security acquired by them) in connection with the business combination, subject to certain exceptions. In the case of SM Cayman's management shareholders and warrant holders and the ID Cayman directors designated by the SM Cayman shareholders' representatives, as well as SM Cayman optionees who exercise their options or restricted share award holders whose shares vest during the one year after closing, the lock-up period will be 12 months after the closing date with respect to the shares or other securities received in connection with the business combination or underlying securities received in connection with the business combination, provided, that with respect to Le Yang and Qinying Liu, the lock-up period shall apply from 12 months after the closing of the share exchange agreement with respect to ten percent (10%) of such securities, 18 months after the closing of the share exchange agreement with respect to fifteen percent (15%) of such securities, and 24 months after the closing of the share exchange agreement with respect to the remaining seventy-five percent (75%) of such securities. In the case of SM Cayman's non-management shareholders, the lock-up period will be six months from the closing date with respect to 25% of such securities and 12 months from the closing date with respect to the remaining 75% of such securities; provided that with respect to shares or other securities acquired (or underlying securities acquired) by CSV in exchange for SM Cayman warrants, SM Cayman preferred shares or other SM Cayman securities exercisable for, or convertible into, SM Cayman ordinary shares, CSV will be subject to the same lock-up period as the other non-management shareholders, and with respect to shares acquired by CSV in exchange for SM Cayman ordinary shares held by it immediately prior to the closing of the business combination, the lock-up period shall apply until twelve months from the closing date with respect to 10% of such shares, eighteen months from the closing date with respect to 15% of such shares and twenty-four months from the closing date with respect to the remaining 75% of such shares. In addition, 1,268,795 ordinary shares and 396,826 warrants of ID Cayman (and shares underlying such warrants) issuable to Linden Ventures as a warrant holder and upon conversion of the Linden Note pursuant to the share exchange agreement will be subject to lock-up for six months.

The forms of lock-up are discussed in more detail in the section titled **Certain Agreements Relating to the Business Combination** **Lock-Up Agreements**.

Registration Rights Agreement

At the closing of the business combination, ID Cayman and certain of the SM Cayman shareholders and warrant holders will enter into a registration rights agreement pursuant to which such SM Cayman shareholders and warrant holders will be entitled to registration rights for any ID Cayman ordinary shares received by them in connection with the business combination (including any ordinary shares issued to them upon exercise of warrants of ID Cayman, or conversion of preferred shares of ID Cayman received in connection with the business combination). Holders of the registration rights will be entitled to deliver a demand or "piggyback" notice to ID Cayman under the

registration rights agreement to register certain of their shares prior to the expiration of the applicable lock-up periods, but, in general, they may not offer for sale, sell or otherwise dispose of such shares before the expiration of such lock-up periods, except in an underwritten secondary offering. Pursuant to the registration rights agreement, SM Cayman shareholders and warrant holders holding at least 50% of the registrable securities then outstanding are entitled to demand that ID Cayman register the

Table of Contents

ordinary shares held by the SM Cayman shareholders who have registration rights. In addition, the SM Cayman shareholders and warrant holders who enter into the registration rights agreement will have piggy-back registration rights on registration statements filed subsequent to the date of the business combination. ID Cayman will bear the expenses incurred in connection with the filing of any such registration statements.

Actions That May Be Taken to Secure Approval of Ideation Stockholders

After April 1, 2009, Ideation may seek to purchase, or enter into contracts to purchase, shares of Ideation common stock either in the open market or in privately negotiated transactions. Any such purchases and contracts would be effected pursuant to a 10b(5)-1 plan or at a time when Ideation, its initial stockholders or their affiliates are not aware of material nonpublic information regarding Ideation or its securities. Such purchases could involve the incurrence of indebtedness by Ideation, payment of significant fees or interest payments or the issuance of additional Ideation securities. Any purchases other than ordinary course purchases shall require the prior approval of the SM Cayman shareholders' representatives, any such approval not to be unreasonably withheld or delayed. If such approval is unreasonably withheld or delayed under certain circumstances, the obligation of The Frost Group, LLC to make sponsor purchases (discussed below) will terminate. An ordinary course purchase is a forward purchase between Ideation and a non-affiliate Ideation stockholder in which Ideation will purchase some or all of such stockholders' shares of Ideation after closing, which contracts are not binding on SM Cayman or its assets. A condition to the closing of such contracts will be that all shares purchased would be voted in favor of the business combination. These purchases or arrangements could result in an expenditure of a substantial amount of funds in the trust account.

Commencing on April 1, 2009 and continuing until no later than 4:30 p.m. Eastern standard time on the day that is two business days before the special meeting of Ideation stockholders, The Frost Group, LLC, through itself, its affiliates or others, will purchase and/or enter into forward contracts to purchase shares of Ideation common stock in the open market or in privately negotiated transactions in an amount equal to the Sponsor Purchase Commitment Amount. Such purchases will be conducted in compliance with the Securities Act, the Exchange Act and any other applicable law.

The aggregate amount of shares purchased pursuant to these arrangements and the total number of IPO Shares held by The Frost Group, LLC, through itself, its affiliates or others will be disclosed to Ideation stockholders in a Current Report on Form 8-K as soon as practicable before the open of trading on the NYSE Amex on the day that is one business day before the special meeting of Ideation stockholders. We acknowledge that the timing of this disclosure limits the amount of time Ideation stockholders will have to consider the impact of these purchases before such stockholders submit a proxy, revoke a previously submitted proxy or otherwise vote on the proposals to be considered at the special meeting.

The purpose of such purchases or arrangements would be to increase the likelihood of satisfaction of the requirements that the holders of a majority of the IPO Shares present in person or represented by proxy and entitled to vote on a business combination vote in its favor and that holders of fewer than 30% of the IPO Shares both vote against a business combination and demand conversion of their IPO Shares into cash, where it appears that such requirements would otherwise not be met. If the business combination transaction is not closed despite such purchases, the purchasers would be entitled to participate in liquidating distributions from Ideation's trust fund with respect to such shares.

Purchases pursuant to such arrangements by Ideation may ultimately be paid for with funds in its trust account, which could greatly diminish the funds released to Ideation from the trust account upon closing of the business combination, and would decrease the amount available to Ideation under the trust account for working capital and general corporate purposes. Nevertheless, in all events Ideation believes there will be sufficient funds available to it from the trust account to pay the holders of all IPO Shares that are properly converted and Ideation will reserve funds for such

purpose.

Any share purchase by Ideation from existing Ideation stockholders would increase the post-transaction percentage of ID Cayman interests held by the current shareholders of SM Cayman. Any sponsor purchase of Ideation shares in the open market would have no impact on the post-transaction ownership of ID Cayman by

Table of Contents

current SM Cayman shareholders. Any sponsor purchase from Ideation would decrease the post-transaction percentage of ID Cayman interests held by the current shareholders of SM Cayman.

ID Cayman New Warrants

In consideration of the Sponsor Purchase Commitment Amount and the commitment of the Converting Noteholders, The Frost Group, LLC and its affiliates and the Converting Noteholders shall, immediately prior to closing of the business combination, be issued a warrant to purchase 0.25 of an ID Cayman share for each share purchased in satisfaction of the Sponsor Purchase Commitment Amount or acquired upon conversion of such notes. The exercise price per whole ID Cayman Share underlying such warrants shall be \$7.8815, and the aggregate number of shares underlying such warrants shall be rounded up to the nearest whole share.

Post-Closing Financing

Ideation has entered into a letter agreement with the Converting Noteholders and The Frost Group, LLC. Pursuant to the letter agreement, if at any time during the two years following the closing of the business combination, ID Cayman issues any preferred shares or other equity securities (including securities convertible into or exchangeable for preferred shares or other equity securities), the parties to the letter agreement will have the right to exchange, for such securities, any ordinary shares of ID Cayman acquired by them as a result of:

- (1) conversion of an interim note from SM Cayman or the Linden Note;
- (2) warrant exercises to satisfy the Sponsor Purchase Commitment Amount; or
- (3) open market purchases or new issuances of Ideation shares to satisfy the Sponsor Purchase Commitment Amount,

up to the amount of such issuance by ID Cayman. The valuation of the exchanged ordinary shares will be \$7.8815 per share. Ideation will enter into the same letter agreement with any other person or entity that purchases Ideation shares in satisfaction of the Sponsor Purchase Commitment Amount after the date of such letter agreement.

Rescission Rights

Ideation's Amended and Restated Certificate of Incorporation and IPO prospectus stated that only those holders of IPO Shares who vote against the business combination will have the right to convert their IPO Shares into cash if the business combination is approved and completed. Furthermore, Ideation's IPO prospectus stated that specific provisions in its Amended and Restated Certificate of Incorporation, including provisions of Article Sixth setting forth conversion rights, would not be amended prior to the consummation of an initial business combination without the affirmative vote of 95% of the outstanding shares of common stock of the company. The IPO prospectus further stated that while the validity under Delaware law of a 95% supermajority provision restricting the ability to amend the charter has not been settled, Ideation would not take any actions to waive or amend any of those provisions.

Ideation is now taking action to amend Section D of Article Sixth of the Amended and Restated Certificate of Incorporation and extend conversion rights upon completion of the business combination to holders of IPO Shares who vote either for or against the business combination. Accordingly, each purchaser of IPO Shares or warrants issued in the IPO could assert federal or state securities law claims against Ideation for rescission, if such purchaser still holds the securities, or damages, if such purchaser no longer holds the securities. In a rescission claim, a successful claimant has the right to receive the total amount paid for the securities purchased pursuant to an allegedly deficient prospectus, plus interest and less any income earned on the securities, in exchange for surrender of the securities. In a

claim for damages, a successful claimant may be awarded compensation for loss on an investment caused by an alleged material misrepresentation or omission in the sale of a security, including, possibly, punitive damages, together with interest.

Table of Contents

Date, Time and Place of Special Meeting of Ideation Stockholders

The special meeting of the Ideation stockholders will be held at the offices of Akerman Senterfitt, One Southeast 3rd Avenue, Miami, Florida 33131 at 8:30 am Eastern time, on October 27, 2009, to consider and vote upon the Charter Amendment Proposal, the Redomestication Proposal, the Business Combination Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, the Corporate Existence Proposal, the Share Incentive Plan Proposal and the Adjournment Proposal.

Voting Power; Record Date

You will be entitled to vote or direct votes to be cast at the special meeting if you owned shares of Ideation common stock at the close of business on October 2, 2009, the record date for the special meeting. You will have one vote for each share of Ideation common stock you owned at the close of business on the record date. Ideation warrants do not have voting rights. On the record date, there were 12,500,000 shares of Ideation common stock outstanding.

Approval of the SearchMedia Shareholders

The transactions contemplated in the share exchange agreement have been approved by or on behalf of all of the SearchMedia shareholders. Accordingly, no further action by the SearchMedia shareholders is needed to approve the business combination.

Quorum and Vote Required to Approve the Proposals by the Ideation Stockholders

A quorum of Ideation stockholders is necessary to hold a valid meeting. A quorum will be present at the Ideation special meeting if a majority of the outstanding shares entitled to vote at the meeting are represented in person or by proxy. Abstentions and broker non-votes will count as present for the purposes of establishing a quorum.

The approval of the Charter Amendment Proposal, Redomestication Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, the Corporate Existence Proposal, and the Share Incentive Plan Proposal will require the affirmative vote of the holders of a majority of the outstanding shares of Ideation common stock on the record date.

Pursuant to Ideation's Amended and Restated Certificate of Incorporation and the rules of the NYSE Amex, the business combination will be completed only if (1) it is approved by a majority of the IPO Shares voted at a duly held stockholders meeting in person or by proxy, (2) it is approved by a majority of the votes cast on the proposal, and (3) fewer than 30% of stockholders owning IPO Shares both (a) vote against the business combination and (b) exercise their conversion rights to have their shares of common stock converted to cash.

The approval of the Adjournment Proposal will require the affirmative vote of holders of a majority of the voting power of Ideation's common stock, represented in person or by proxy at the meeting.

Abstentions will have the same effect as a vote against the Charter Amendment Proposal, the Redomestication Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, the Corporate Existence Proposal, the Share Incentive Plan Proposal and the Adjournment Proposal, but will have no effect on the Business Combination Proposal. Broker non-votes, while considered present for the purposes of establishing a quorum, will have the effect of votes against the Charter Amendment Proposal, the

Redomestication Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, the Corporate Existence Proposal and the Share Incentive Plan Proposal but will have no effect on the Business Combination Proposal or the Adjournment Proposal. Because NYSE Amex rules provide that only votes cast at the meeting will count toward the vote on the Business Combination Proposal, abstentions and broker non-votes will have no effect on the Business Combination.

Table of Contents

Relationship of Proposals

The Business Combination Proposal will be submitted to the vote of Ideation stockholders only if both the Charter Amendment Proposal and the Redomestication Proposal are approved. If approved, the business combination will not be completed unless each of the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, and the Corporate Existence Proposal are approved. The redomestication will not be completed unless the Business Combination Proposal is approved.

Proxies

Proxies may be solicited by mail, telephone or in person. If you grant a proxy, you may revoke your proxy before it is exercised at the special meeting by sending a notice of revocation to the secretary of Ideation, submitting a later-dated proxy, or voting in person at the special meeting.

Stock Ownership

On the record date, directors and executive officers of Ideation and its affiliates beneficially owned and were entitled to vote 3,277,900 shares of Ideation common stock, representing approximately 26.2% of Ideation's issued and outstanding common stock.

Interests of Ideation Officers and Directors in the Business Combination

When you consider the unanimous recommendation of the Ideation board of directors in favor of adoption of the Charter Amendment Proposal, Redomestication Proposal, the Business Combination Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, the Corporate Existence Proposal and the Share Incentive Plan Proposal, you should note that Ideation's officers and directors have interests in the transaction that are different from, or in addition to, your interests as a stockholder. These interests include, among other things:

If the business combination is not approved and Ideation is unable to complete another business combination by November 19, 2009, Ideation will be required to liquidate. In such event, the 2,500,000 shares of common stock held by Ideation officers, directors and affiliates, which were acquired prior to the IPO for an aggregate purchase price of \$25,000, will be worthless, as will the 2,400,000 warrants that were acquired simultaneously with the IPO for an aggregate purchase price of \$2,400,000. The Ideation officers, directors and holders of initial shares currently hold 3,277,900 shares of the common stock and 3,691,200 of the warrants. Such common stock and warrants had an aggregate market value of \$32.0 million based on the last sale price of \$7.86 and \$1.70, respectively, on the NYSE Amex on October 2, 2009, the record date.

In connection with the IPO, Ideation's current officers and directors agreed to indemnify Ideation for debts and obligations to vendors owed by Ideation, but only to the extent necessary to ensure that certain liabilities do not reduce funds in the trust account. If the business combination is consummated, Ideation's officers and directors will not have to perform such obligations. Ideation does not have sufficient funds outside of the trust account to pay these obligations. Therefore, if the business combination is not consummated and vendors that have not signed waivers sue the trust account and win their cases, the trust account could be reduced by the amount of the claims and Ideation's officers and directors would be required to fulfill their indemnification obligations.

Warrants to purchase Ideation common stock held by Ideation's officers and directors are exercisable upon consummation of the business combination. Based upon the closing price of Ideation's common stock on October 2, 2009, the record date, of \$7.86, if all warrants held by Ideation's officers and directors were exercised at the \$6.00 per share exercise price, the value of such shares of common stock would be approximately \$29.0 million.

Table of Contents

All rights specified in Ideation's Amended and Restated Certificate of Incorporation relating to the right of officers and directors to be indemnified by Ideation, and of Ideation's officers and directors to be exculpated from monetary liability with respect to prior acts or omissions, will continue after the business combination. If the business combination is not approved and Ideation liquidates, Ideation will not be able to perform its obligations to its officers and directors under those provisions.

In consideration of the Sponsor Purchase Commitment Amount, The Frost Group, LLC and its affiliates and other non-affiliates will receive a warrant to purchase 0.25 of an ordinary share of ID Cayman for each ordinary share it acquired, or will acquire, in connection with the satisfaction of the Sponsor Purchase Commitment Amount and upon the Converting Noteholders' conversion of their notes into ordinary shares of ID Cayman. Accordingly, the interests of The Frost Group, LLC and its affiliates may be different from those of stockholders who will not receive such warrants.

On March 18 and March 19, 2009, SearchMedia received interim financing of \$1.75 million from Frost Gamma Investments Trust, Robert Fried, Rao Uppaluri, and others, and interim financing of \$1.75 million from CSV and members of SearchMedia's management team. This financing was requested by SearchMedia in order to fund working capital until the closing of the transactions contemplated by the share exchange agreement. The affiliates of Ideation set forth above participated in such financing in order to demonstrate support for the transactions contemplated by the share exchange agreement. Each interim note accrues interest at a rate of 12% per annum, which rate will increase to 20% per annum after the maturity date of such note. Each note will mature upon the earliest of: (i) the closing of a Series D financing by SM Cayman, (ii) the closing of the transactions contemplated by the share exchange agreement, and (iii) the termination of the share exchange agreement. At the closing of the business combination, the principal amount outstanding under such notes will be converted into (1) a number of ordinary shares of ID Cayman calculated by dividing such outstanding principal amounts by \$7.8815, rounding up to the nearest whole share, and (2) a number of warrants to purchase 0.25 of an ordinary share of ID Cayman, at an exercise price per such ordinary share of \$7.8815, equal to such number of ID Cayman ordinary shares.

Ideation has entered into a letter agreement with the Converting Noteholders and The Frost Group, LLC. Pursuant to the letter agreement, if at any time during the two years following the closing of the business combination, ID Cayman issues any preferred shares or other equity securities (including securities convertible into or exchangeable for preferred shares or other equity securities), the parties to the letter agreement will have the right to exchange, for such securities, any ordinary shares of ID Cayman acquired by them as a result of:

- (1) conversion of an interim note from SM Cayman or the Linden Note;
- (2) warrant exercises to satisfy the Sponsor Purchase Commitment Amount; or
- (3) open market purchases or new issuances of Ideation shares to satisfy the Sponsor Purchase Commitment Amount,

up to the amount of such issuance by ID Cayman. The valuation of the exchanged ordinary shares will be \$7.8815 per share. Ideation will enter into the same letter agreement with any other person or entity that purchases Ideation shares in satisfaction of the Sponsor Purchase Commitment Amount after the date of such letter agreement.

Interests of SearchMedia Officers and Directors in the Business Combination

When you consider the Charter Amendment Proposal, Redomestication Proposal, the Business Combination Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, the Corporate Existence Proposal and the Share Incentive Plan Proposal, you should note that SearchMedia's executive officers and directors, some of whom will become executive officers and directors of ID Cayman following consummation of the business combination, have interests in the transaction that are different from, or in addition to, your interests as a stockholder. These interests include, among other things:

Table of Contents

Upon the closing of the business combination, affiliates or immediate relatives of certain directors and officers of SearchMedia are expected to, in aggregate: (1) beneficially own 1,351,445 ordinary shares of ID Cayman; (2) hold warrants to purchase 855,739 ordinary shares of ID Cayman; (3) hold certain promissory notes the principal amount of which will be converted to (i) 190,320 ordinary shares of ID Cayman and (ii) 190,320 warrants of ID Cayman (each of such warrants to purchase 0.25 of an ordinary share of ID Cayman at an exercise price per ordinary share of \$7.8815 rounding up to the nearest whole share); and (4) an option to purchase 40,522 ordinary shares of ID Cayman. Certain such persons are also expected to be subject to a 12-or 24-month lock-up agreement as described in Lock-Up Agreements. Such persons are expected to beneficially own up to 2,738,196 additional ID Cayman ordinary shares pursuant to an earn-out provision in the share exchange agreement based on the adjusted net income of the combined company for the fiscal years ending December 31, 2009. See Acquisition Consideration. ID Cayman and the SearchMedia shareholders will also enter into a registration rights agreement for their ID Cayman ordinary shares to be received in connection with the business combination. See Certain Agreements Relating to the Business Combination Registration Rights Agreements.

Some of the Converting Noteholders who have entered into the letter agreement with Ideation are officers or directors of SearchMedia. Pursuant to the letter agreement, if at any time during the two years following the closing of the business combination, ID Cayman issues any preferred shares or other equity securities (including securities convertible into or exchangeable for preferred shares or other equity securities), these parties will have the right to exchange, for such securities, any ordinary shares of ID Cayman acquired by them as a result of conversion of their interim note up to the amount of such issuance by ID Cayman. The valuation of the exchanged ordinary shares will be \$7.8815 per share.

Ms. Qinying Liu and Ms. Le Yang have agreed to repay an aggregate of RMB 4,289,889 owed by them to SM Cayman prior to the closing of the business combination. They may do so in cash or by surrendering a number of ordinary shares of SM Cayman owned by them prior to closing equal in value to such amount.

Conditions to the Closing of the Share Exchange Agreement

Consummation of the share exchange agreement and the related transactions is conditioned on (i) the Ideation board not having withdrawn its approval of the terms and conditions of the business combination; (ii) the Ideation common stockholders approving the redomestication; (iii) the Ideation common stockholders approving the charter amendment; and (iv) the business combination being (1) approved by a majority of the IPO Shares, voted at a duly held stockholders meeting in person or by proxy, (2) approved by a majority of the votes cast on the proposal, and (3) fewer than 30% of the stockholders owning IPO Shares both (a) vote against the business combination and (b) exercise their conversion rights to have their shares of common stock converted to cash.

In addition, the consummation of the transactions contemplated by the share exchange agreement is conditioned upon certain closing conditions, including:

the representations and warranties of the Ideation parties on one hand and the SearchMedia parties on the other hand being true and correct as of the closing, except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had or would not reasonably be expected to have a material adverse effect on such parties, and all covenants contained in the share exchange agreement have been materially complied with by such party and the delivery by each party to the other party of a certificate to such effect;

no action, suit or proceeding shall have been instituted before any court or governmental or regulatory body or instituted or threatened by any governmental authorities to restrain, modify or prevent the carrying out of the transactions contemplated by the share exchange agreement; and

no injunction or other order issued by any governmental authority or court of competent jurisdiction prohibiting the consummation of such transactions.

Table of Contents

SearchMedia Parties Conditions to Closing of the Share Exchange Agreement

The obligations of the SearchMedia parties to consummate the transactions contemplated by the share exchange agreement, in addition to the conditions described above, are conditioned upon each of the following, among other things:

there shall have been no material adverse effect with respect to Ideation since September 30, 2008;

the receipt of necessary consents, authorizations and approvals by Ideation stockholders and third parties and the completion of necessary proceedings;

the resignation of those officers and directors who are not continuing as officers and directors of ID Cayman, together with a written release from each such director and officer that such person has no claim for employment or other compensation in any form from Ideation except for any reimbursement of outstanding expenses existing as of the date of such resignation;

SearchMedia shall have received legal opinions customary for transactions of this nature, from counsel to the Ideation parties;

Ideation shall have given instructions to the trustee of the trust account to have the monies in the trust account disbursed immediately upon the closing of the business combination;

Ideation shall have filed all reports and other documents required to be filed by Ideation under the U.S. federal securities laws through the closing date of the share exchange agreement; and

SearchMedia shall have received investor representation letters executed by each affiliate of Ideation who will receive ID Cayman shares at the closing in respect of certain SM Cayman promissory notes or SM Cayman securities held by such affiliate. Those affiliates are Frost Gamma Investments Trust (an affiliate of Dr. Phillip Frost), Robert N. Fried and Rao Uppaluri.

Ideation s Conditions to Closing of the Share Exchange Agreement

The obligations of Ideation to consummate the transactions contemplated by the share exchange agreement, in addition to the conditions described above in the second paragraph of this section, are conditioned upon each of the following, among other things:

there shall have been no material adverse effect with respect to SearchMedia since June 30, 2008;

the receipt of necessary consents, authorizations and approvals by Ideation stockholders and third parties and the completion of necessary proceedings;

Ideation shall have received legal opinions, customary for transactions of this nature, from counsel to SearchMedia;

Ideation shall have received investor representation letters executed by the shareholders and warrant holders of SM Cayman and holders of promissory notes, other than affiliates of Ideation;

the conversion of the preferred shares of SM Cayman to ordinary shares of SM Cayman shall have occurred;

each of Qinying Liu, Garbo Lee and Jennifer Huang shall have continued to serve in the same position at SM Cayman or the other SM Cayman group companies as such person was serving as of the date of the share exchange agreement, or in another senior management capacity; and

the delivery of certain financial statements by each of the SM entities and the SM Cayman shareholders which will show that the adjusted net income and EBITDA set forth in the financial statements for the 2008 fiscal year shall not be less than \$15,297,000 and \$30,218,000, respectively, and in the financial statements for the first quarter of 2009 shall not be less than \$5,085,000 and \$9,513,000, respectively.

If permitted under the applicable law, either Ideation or the representatives of the SearchMedia shareholders and, if applicable to matters affecting them, Linden Ventures, may waive any inaccuracies in the

Table of Contents

representations and warranties made to the Ideation parties or the SearchMedia parties and Linden Ventures, as applicable, contained in the share exchange agreement and waive compliance with any agreements or conditions for the benefit of such parties contained in the share exchange agreement. The condition requiring that the holders of less than 30% of the shares of common stock issued in connection with Ideation's IPO affirmatively vote against the Business Combination Proposal and demand conversion of their shares of common stock into cash may not be waived. We cannot assure you that any or all of the conditions will be satisfied or waived.

To the extent a waiver by any party renders the statements in this proxy statement/prospectus materially misleading, Ideation intends to supplement this proxy statement/prospectus and resolicit proxies from its stockholders to the extent required by law.

Exclusivity; No Other Negotiation

The share exchange agreement contains detailed provisions prohibiting each of Ideation, SearchMedia and the SearchMedia shareholders party to the share exchange agreement from seeking an alternative transaction. These covenants generally prohibit Ideation, SearchMedia and the SearchMedia shareholders party to the share exchange agreement, as well as their officers, directors, subsidiaries, employees, agents and representatives, from taking any action to solicit an alternative acquisition proposal.

Termination

The share exchange agreement may be terminated and/or abandoned at any time prior to the closing, whether before or after approval of the proposals being presented to Ideation stockholders, by:

mutual written consent of SM Cayman and Ideation;

either Ideation or the SM Cayman shareholders' representatives, if the closing has not occurred by (a) October 30, 2009, or (b) such other date as may be mutually agreed to;

the SM Cayman shareholders' representatives, if there has been a breach by Ideation of any representation, warranty, covenant or agreement contained in the share exchange agreement which has prevented the satisfaction of the conditions to the obligations of the SearchMedia parties under the share exchange agreement (which is deemed to have occurred if there is a material breach of the sponsor purchase commitment covenants of The Frost Group, LLC or the covenants of Ideation with respect to purchases of, and forward contracts to purchase, shares of Ideation common stock) and the violation or breach has not been waived by such representatives or cured by Ideation within 30 days after written notice from the SM Cayman shareholders' representatives;

Ideation, if there has been a breach by the SearchMedia parties of any representation, warranty, covenant or agreement contained in the share exchange agreement which has prevented the satisfaction of the conditions to the obligations of Ideation under the share exchange agreement and such violation or breach has not been waived by Ideation or cured by the SearchMedia parties within 30 days after written notice from Ideation;

the SM Cayman shareholders' representatives or Ideation, if the Ideation board of directors fails to recommend or withdraws or modifies in a manner adverse to the SearchMedia parties its approval or recommendation of the share exchange agreement and the transactions contemplated under the share exchange agreement;

either Ideation or the SM Cayman shareholders' representatives, if the redomestication and the business combination are not approved by Ideation stockholders or if holders of 30% or more of Ideation's IPO Shares

both vote against the business combination and exercise their right to convert their shares of common stock into cash from the trust account; and

either Ideation or the SM Cayman shareholders' representatives, if a court of competent jurisdiction or other governmental authority has issued a final, non-appealable order or injunction or taken any other action to permanently restrain, enjoin or prohibit the redomestication or the business combination.

Table of Contents

Effect of Termination; Termination Fee

In the event of termination by either Ideation or the SearchMedia shareholders' representatives, except as set forth below, all further obligations of the parties shall terminate, each party shall bear its own costs and expenses and no party shall have any liability in respect of such termination.

If the SM Cayman shareholders' representatives terminate the share exchange agreement due to either: (a) a breach by Ideation of any representation, warranty, covenant or agreement contained in the share exchange agreement which has prevented the satisfaction of the conditions to the obligations of the SearchMedia parties under the share exchange agreement, which violation or breach has not been waived or cured as permitted by the share exchange agreement; or (b) the Ideation board of directors failing to recommend or withdrawing or modifying in a manner adverse to the SearchMedia parties its recommendation or approval of the share exchange agreement and the transactions contemplated under the share exchange agreement, then SearchMedia will be entitled to reimbursement of its costs and expenses up to \$3,000,000 immediately upon termination, however, the SearchMedia parties have waived all claims against Ideation's trust account for the payment of this or any other fees or claims. In addition, if the SM Cayman shareholders' representatives terminate the share exchange agreement due to a material, intentional breach by The Frost Group, LLC of its sponsor purchase commitment covenants, and Ideation enters into an agreement for an alternative transaction within six months of the termination, SM Cayman will be reimbursed for fees and expenses up to \$3,000,000 by The Frost Group, LLC on the date of execution of such definitive agreement, which such amount received from The Frost Group, LLC shall reduce the amount that may be claimed from Ideation on a dollar-for-dollar basis.

If Ideation terminates the share exchange agreement due to a breach by the SearchMedia parties of any representation, warranty, covenant or agreement contained in the share exchange agreement which has prevented the satisfaction of the conditions to the obligations of Ideation under the share exchange agreement, which violation or breach has not been waived or cured as permitted by the share exchange agreement, then Ideation will be entitled to reimbursement of its costs and expenses up to \$3,000,000 immediately upon termination. However, if such termination relates to an intentional breach by any SearchMedia party and any SM Cayman entity enters into an agreement for an alternative transaction within six months after the termination, Ideation will be entitled to a termination fee equal to \$10,000,000 plus reimbursement of all of its costs and expenses on the date of the execution of the definitive agreement.

An alternative transaction means, with respect to the SearchMedia parties (subject to certain exceptions), (a) (i) a business combination involving SM Cayman, (ii) the issuance by SM Cayman of over 50% of the SM Cayman ordinary shares as consideration for the assets or securities of another person or (iii) the acquisition, directly or indirectly, of over 50% of the SM Cayman ordinary shares or consolidated total assets of SM Cayman (including by way of acquisition of one or more of the Group Companies) or (b) any private equity financing with proceeds in excess of \$15 million (exclusive of any commissions or management fees); and with respect to Ideation, means any initial business combination (as defined in Ideation's Amended and Restated Certificate of Incorporation).

In addition to the termination rights set forth in the share exchange agreement, each of Ideation and the SM Cayman shareholders' representatives will have the right at any time to immediately seek injunctive relief, an award of specific performance or any other equitable relief against such other party to the share exchange agreement.

Amendment

The share exchange agreement may be amended at any time by execution of an instrument in writing signed on behalf of Ideation and a majority of the SM Cayman shareholders' representatives and Linden Ventures, if required, as

described below.

Table of Contents

Amendments to Share Exchange Agreement

On May 27, 2009, Ideation entered into an amendment, which we refer to as the first amendment, to the Agreement and Plan of Merger, Conversion and Share Exchange, which we refer to as the share exchange agreement, with Earl Yen, Tommy Cheung, Stephen Lau and Qinying Liu, as the SM Cayman shareholders' representatives. The first amendment amends the share exchange agreement to provide that the consent of Linden Ventures will be required in the event of any amendment to or waiver of any provision contained in certain sections of the share exchange agreement that directly affect Linden Ventures or if any amendment or waiver disproportionately affects Linden Ventures relative to other SM Cayman securityholders.

In addition, the first amendment provides for an amendment to the Memorandum and Articles of Association of ID Cayman following completion of the business combination to provide that the Series A preferred shares of ID Cayman shall be convertible, at the option of the holder, at any time after six months, rather than eighteen months, following the original issue date.

On September 8, 2009, Ideation entered into an amendment, which we refer to as the second amendment, to the share exchange agreement with Earl Yen, Tommy Cheung, Stephen Lau, Qinying Liu, Linden Ventures, Vervain Equity Investment Limited, Sun Hing Associates Limited and The Frost Group, LLC. The second amendment amends the share exchange agreement to provide the following:

acknowledgement of the transfer of the SM Cayman Series C preferred shares owned by Gentfull Investment Limited and Gavast Estates Limited to Vervain Equity Investment Limited and Sun Hing Associates Limited, respectively, their affiliates and the joinder of such transferees to the share exchange agreement;

the elimination of a potential obligation of ID Cayman to issue Series A preferred shares in connection with the closing, but continuing to provide for the issuance of a warrant to acquire 0.25 of an ID Cayman ordinary share, regardless of the amount in the trust account after closing, for each ID Cayman ordinary share issued to or acquired by those investors who hold SM Cayman interim notes or the Linden note that converted to ID Cayman ordinary shares at closing or ID Cayman ordinary shares acquired in connection with the Sponsor Purchase Commitment Amount;

the imposition of one-year lock-up restrictions with respect to the ID Cayman shares underlying ID Cayman restricted share awards and options;

an additional covenant requiring the repayment of certain loans owed by Qinying Liu and Le Yang to SM Cayman prior to closing. Ms. Liu and Ms. Yang have agreed to repay an aggregate of RMB 4,289,889 owed by them to SM Cayman prior to the closing of the business combination. They may do so in cash or by surrendering a number of ordinary shares of SM Cayman owned by them prior to closing equal in value to such amount;

an increase of the board of directors of ID Cayman after the closing to ten (10) members, adding one director to be appointed by the Ideation representative and requiring certain independence and citizenship requirements as set forth elsewhere in this proxy statement/prospectus;

the amendment of the sponsor purchase commitment of The Frost Group, LLC to allow for certain warrant exercises, effective immediately after the closing, to be counted toward the satisfaction of the Sponsor Purchase Commitment Amount;

the addition of Ideation stockholder approval of the Ideation charter amendment (and a corresponding amendment to the charter of ID Arizona) as a condition to the closing of the business combination;

the extension of the end date by which the business combination must be consummated to October 30, 2009 from September 30, 2009;

technical corrections to the definition of adjusted net income ;

Table of Contents

the amendment of Schedules B and C to the share exchange agreement to reflect the transfers by Gentfull Investment Limited and Gavast Estates Limited and certain transfers by and among SM Cayman shareholders and correct some rounding errors; and

the amendment of the Memorandum and Articles of Association of ID Cayman, Exhibit A to the share exchange agreement, to eliminate the designation of the ID Cayman Series A preferred shares.

On September 8, 2009, in connection with the execution of the second amendment to the share exchange agreement, Ideation entered into a letter agreement with the Converting Noteholders and The Frost Group, LLC. Pursuant to the letter agreement, if at any time during the two years following the closing of the business combination, ID Cayman issues any preferred shares or other equity securities (including securities convertible into or exchangeable for preferred shares or other equity securities), the parties to the letter agreement will have the right to exchange, for such securities, any ordinary shares of ID Cayman acquired by them as a result of:

- (1) conversion of an interim note from SM Cayman or the Linden Note;
- (2) warrant exercises to satisfy the Sponsor Purchase Commitment Amount; or
- (3) open market purchases or new issuances of Ideation shares to satisfy the Sponsor Purchase Commitment Amount,

up to the amount of such issuance by ID Cayman. The valuation of the exchanged ordinary shares will be \$7.8815 per share. Ideation will enter into the same letter agreement with any other person or entity that purchases Ideation shares in satisfaction of the Sponsor Purchase Commitment Amount after the date of such letter agreement.

On September 22, 2009, an amendment, which we refer to as the third amendment, to the share exchange agreement was entered into by Earl Yen, Tommy Cheung, Terrance Hogan, Qinying Liu, Linden Ventures, Ideation, and ID Arizona. The third amendment amends the share exchange agreement to provide the following:

the amendment of Schedule B and Schedule C to the share exchange agreement to reflect the proportional repurchases of approximately 3,000,000 SM Cayman ordinary, Series B preferred and Series C preferred shares from SM Cayman shareholders and issuances of approximately 3,000,000 options under the SM Share Incentive Plan to employees of SM Cayman and its subsidiaries;

the exclusion of any compensation charges attributable to the above repurchases and issuances from the definition of adjusted net income;

the amendment and restatement of the Lock-Up Agreements, which are Exhibit F-1 and F-2 to the share exchange agreement providing that for Qinying Liu, Le Yang and CSV, the lock-up shall apply for 12 months after the closing of the share exchange agreement with respect to ten percent (10%) of the shares and other securities received in connection with the business combination and underlying securities received in connection with the business combination, 18 months after the closing of the share exchange agreement with respect to fifteen percent (15%) of such securities, and 24 months after the closing of the share exchange agreement with respect to the remaining seventy-five percent (75%) of such securities, provided that with respect to CSV, this lock-up shall apply only to shares acquired by CSV in exchange for SM Cayman ordinary shares held by it immediately prior to the closing of the business combination, and not with respect to shares or other securities acquired (or underlying securities acquired) by CSV in exchange for SM Cayman warrants, SM Cayman preferred shares or other SM Cayman securities exercisable for, or convertible into, SM Cayman

ordinary shares, which shares shall be subject to the same lock-up that applies to non-management shareholders;

a decrease of the board of directors of ID Cayman after the closing to eight members, subtracting one director to be appointed by each of the Ideation representative and the SM Cayman shareholders representatives and requiring certain independence and citizenship requirements as set forth elsewhere in this proxy statement/prospectus;

Table of Contents

an amendment of a covenant which now requires each of the SM entities and each of the SM Cayman shareholders to use commercially reasonable efforts to amend each acquisition agreement for each subsidiary of Jingli Shanghai to provide that following the closing (i) up to 75% of the earn-out or other contingent payment due thereunder with respect to 2010 may be paid, at the option of ID Cayman, in equity securities of ID Cayman, and (ii) in all other instances, all earn-outs or other contingent payments will be made in cash, provided that all such amendments shall be approved by Ideation prior to the execution thereof;

an additional covenant requiring each of the Ideation parties, on the one hand, and the SM Cayman entities, on the other hand, to use commercially reasonable efforts prior to closing of the share exchange agreement to reduce the expenses incurred by each such group, in connection with this transaction, by \$2,000,000; and

the elimination of the earn-out make-up provision that allowed for any unearned portion of the earn-out shares to be issued if the closing price of the ID Cayman ordinary shares maintained a certain level for a consecutive thirty trading day period.

Quotation

Ideation's outstanding common stock, warrants and units are listed on the NYSE Amex. After the redomestication and business combination, Ideation intends to reapply to the NYSE Amex in order for the ordinary shares, warrants and units of ID Cayman to maintain their listing on the NYSE Amex. It is unclear whether ID Cayman will meet the minimum number of holders requirement for continued listing on the NYSE Amex and as a result, the NYSE Amex may delist ID Cayman's securities from quotation on its exchange, which could limit investors' ability to make transactions in ID Cayman's securities.

Indemnification

Indemnification by the SearchMedia Shareholders and Linden Ventures

The SearchMedia shareholders have agreed, on a *pro rata basis*, to indemnify the Ideation parties from any damages arising from: (a) any breach by any SearchMedia entity of any of its representations or warranties, covenants or obligations in the share exchange agreement; (b) any breach by any SearchMedia shareholder of its representations or warranties, covenants or obligations in the share exchange agreement; (c) the validity, enforceability or effectiveness (or lack thereof) of the appointment of the designated agent, any action taken by him or her under the share exchange agreement and/or the transfer of any SearchMedia shares by him or her (including any SearchMedia shares resulting from the exercise of options and the vesting of restricted share awards after the date of the share exchange agreement) or the ownership or transfer of any SearchMedia shares by any SearchMedia shareholder that did not sign the share exchange agreement (which may include persons who become shareholders of SearchMedia as a result of option exercises and the vesting of restricted share awards after the date of the share exchange agreement); (d) the failure to allocate any earn-out shares to the holders of restricted share awards under the share exchange agreement or the failure to register such awards in accordance with PRC law or any claims of such holders relating to the transfer or exchange of their restricted share awards under the share exchange agreement; or (e) the failure of any SM Cayman entity to pay its registered capital in full to the appropriate governmental authority. In addition, Linden Ventures has agreed to indemnify the Ideation parties from any damages arising from a breach of any its representations or warranties, covenants or obligations in the share exchange agreement. Notwithstanding the foregoing, however, the representations, warranties, covenants and obligations that relate specifically and solely to a particular SearchMedia shareholder or to Linden Ventures are the obligations of that particular person only and not the responsibility of the other SearchMedia shareholders and Linden Ventures (as applicable).

The amount of damages suffered by the Ideation parties may be paid in cash, or, at the option of the SearchMedia shareholders or Linden Ventures (as applicable), may be recovered by delivery of a specified number of ID Cayman shares owned by the SearchMedia shareholders or Linden Ventures (as applicable) for repurchase by ID Cayman, provided that such transfer is in accordance with applicable law. Any such returned shares will be cancelled. If the SearchMedia shareholders or Linden Ventures opt to deliver shares instead of

Table of Contents

cash, the number of shares to be returned by the SearchMedia shareholders or Linden Ventures will be equal to the aggregate amount of the damages agreed to be paid by the SearchMedia shareholders or Linden Ventures, divided by \$7.8815.

Indemnification by Ideation

The Ideation parties have agreed to indemnify each of the SearchMedia shareholders (including the SM Cayman shareholder that did not sign the share exchange agreement) and Linden Ventures from any damages arising from: (a) any breach of any representation or warranty made by the Ideation parties in the share exchange agreement; or (b) any breach by any Ideation party of its covenants or obligations in the share exchange agreement.

The amount of damages suffered by the SearchMedia shareholders (including the SM Cayman shareholder that did not sign the share exchange agreement) and Linden Ventures will be paid in newly issued ID Cayman shares. The number of ID Cayman shares to be issued to the SearchMedia indemnified parties will be equal to the aggregate amount of the damages agreed to be paid by the Ideation parties, divided by \$7.8815.

Limitations on Indemnity

Except for certain limited exceptions, (i) the Ideation parties will not be entitled to indemnification for breaches of representations and warranties by any SearchMedia party and for breaches of covenants and obligations of the SearchMedia shareholders and Linden Ventures unless the aggregate amount of damages to the Ideation parties for such breaches exceeds \$750,000, and then only to the extent such damages for such breaches exceed \$750,000 and (ii) the aggregate amount of damages payable by the SearchMedia shareholders (including the SM Cayman shareholder that did not sign the share exchange agreement) and Linden Ventures for such breaches to the Ideation parties may not exceed \$7,500,000.

Except for certain limited exceptions, the SearchMedia shareholders (including the SM Cayman shareholder that did not sign the share exchange agreement) and Linden Ventures will not be entitled to indemnification for breaches of representation and warranties unless the aggregate amount of damages to such parties exceeds \$750,000, and then only to the extent such damages for such breaches exceed \$750,000 and (ii) the aggregate amount of damages payable by the Ideation parties to the SearchMedia shareholders (including the SM Cayman shareholder that did not sign the share exchange agreement) and Linden Ventures for such breaches may not exceed \$7,500,000.

Foreign Private Issuer

Based on currently available information, ID Cayman expects that it will become a foreign private issuer upon the consummation of the business combination, which would reduce the reporting requirements under the Exchange Act, resulting in fewer costs associated with financial and reporting compliance. For example, as a foreign private issuer, ID Cayman will be exempt from certain provisions applicable to U.S. public companies, including:

the rules requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;

the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations with respect to a security registered under the Exchange Act;

provisions of Regulation FD aimed at preventing issuers from making selective disclosures of material non-public information; and

the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and establishing insider liability for profits realized from any short swing trading transactions, or a purchase and sale, or a sale and purchase, of the issuer's equity securities within less than six months.

Table of Contents

As a foreign private issuer, ID Cayman will file an annual report on Form 20-F within six months of the close of fiscal years 2009 and 2010, and within four months of each fiscal year beginning with fiscal year 2011, and reports on Form 6-K relating to certain material events promptly after ID Cayman publicly announces these events. However, because of the foregoing filing exemptions, ID Cayman's shareholders will not be afforded the same protections or information generally available to investors holding shares in public companies organized in the United States, such as Ideation.

Comparison of Stockholder Rights

In connection with the consummation of the share exchange agreement, the board of directors of Ideation has unanimously approved a corporate reorganization of Ideation that would result in holders of Ideation securities holding securities in a Cayman Islands exempted company, rather than a Delaware corporation. If the Charter Amendment Proposal, the Redomestication Proposal, the Business Combination Proposal, the Share Increase Proposal, the Declassification Proposal, the Amendment Proposal, the Shareholder Consent Proposal, Corporate Existence Proposal, and the Share Incentive Plan Proposal are approved, Ideation, the current Delaware corporation, will effect a merger pursuant to which it will merge with and into ID Arizona, a wholly owned Arizona subsidiary, with ID Arizona surviving the merger. Following the merger of Ideation and ID Arizona, ID Arizona will become ID Cayman, a Cayman Islands exempted company, pursuant to a conversion and continuation procedure under Arizona and Cayman Islands law. Ideation securities will be converted into securities of ID Arizona and then into securities of ID Cayman. The rights of Ideation stockholders will change accordingly. A comparison of the rights of stockholders under Delaware and Cayman Islands law is included elsewhere in this proxy statement/prospectus. See The Redomestication Proposal Differences of Stockholder Rights.

Certain U.S. Federal Income Tax Consequences

Although there is a lack of authority directly on point, and thus, this conclusion is not entirely free from doubt, the merger should qualify as a nontaxable reorganization under applicable U.S. federal income tax principles and, accordingly, no gain or loss should be recognized by Ideation stockholders or warrant holders for U.S. federal income tax purposes as a result of their exchange of Ideation common stock or warrants for the common stock or warrants of ID Arizona.

In addition, although there is a lack of authority directly on point, and thus, this conclusion is not entirely free from doubt, the conversion also should qualify as a nontaxable reorganization under applicable U.S. federal income tax principles and, accordingly, no gain or loss should be recognized by ID Arizona stockholders or warrant holders for U.S. federal income tax purposes as a result of their exchange of ID Arizona common stock or warrants for the ordinary shares or warrants of ID Cayman. ID Arizona, however, should recognize gain (but not loss) for U.S. federal income tax purposes as a result of the conversion equal to the difference between the fair market value of each of its assets over such asset's adjusted tax basis at the effective time of the conversion. Any U.S. federal income tax liability incurred by ID Arizona as a result of such gain would become a liability of ID Cayman by reason of the conversion. ID Cayman should not recognize any gain or loss for U.S. federal income tax purposes as a result of the business combination and certain anti-inversion provisions in the Internal Revenue Code of 1986, as amended, or the Code, should not apply to treat ID Cayman as a U.S. corporation after the conversion and business combination.

See Material United States Federal Income Tax Considerations below for further discussion of these tax consequences.

Material PRC Tax Considerations

Pursuant to the applicable PRC tax laws, prior to January 1, 2008, companies established in China were generally subject to a state and local enterprise income tax, or EIT, at statutory rates of 30% and 3%, respectively. SearchMedia's PRC subsidiaries, Jieli Consulting and Jieli Network, and most of its consolidated PRC affiliated entities were subject to an income tax rate of 33%.

On March 16, 2007, the National People's Congress adopted the new PRC Enterprise Income Tax Law, or the EIT Law, which became effective from January 1, 2008 and replaced the separate income tax laws for

Table of Contents

domestic enterprises and foreign-invested enterprises by adopting a unified income tax rate of 25% for most enterprises. In addition, on December 6, 2007, the State Council issued the Implementation Rules for the EIT Law, which became effective simultaneously with the EIT Law. On December 26, 2007, the State Council issued the Notice on Implementation of Enterprise Income Tax Transition Preferential Policy under the EIT Law, or the Transition Preferential Policy Circular, which became effective upon promulgation. Under these regulations, the PRC government revoked many of then existing tax exemption, reduction and preferential treatments, but permit companies to continue to enjoy their existing preferential tax treatments for the remainder of the preferential periods, subject to transitional rules as stipulated in the Transition Preferential Policy Circular. Since January 1, 2008, SearchMedia's PRC subsidiaries, Jieli Consulting and Jieli Network, and its consolidated PRC affiliated entities have been subject to an income tax rate of 25%.

Under relevant PRC tax law applicable prior to January 1, 2008, dividend payments to foreign investors made by foreign-invested entities were exempt from PRC withholding tax. However, under the Implementation Rules of the EIT Law, subject to applicable tax agreements or treaties between the PRC and other tax jurisdictions, non-resident enterprises without an institution or establishment in the PRC, or non-resident enterprises whose income no connection with their institutions and establishment in the PRC, are normally subject to withholding tax at the rate of 10% with respect to their PRC-sourced dividend income. Under the EIT Law, a resident enterprise, which includes an enterprise established outside of China with de facto management bodies located in China, will be subject to PRC income tax. Under the Implementation Rules of the EIT Law, de facto management body is defined as the body that has material and overall management and control over the business, personnel, accounts and properties of enterprise. All of SearchMedia's management is currently located in the PRC. If SearchMedia were treated as a resident enterprise for PRC tax purposes, it would be subject to PRC tax on its worldwide income at the 25% uniform tax rate; the dividends distributed to SearchMedia from its PRC subsidiary would be exempt income; and the dividends paid by SearchMedia to its non-PRC enterprise shareholders would be subject to a withholding tax. In addition, under the EIT Law, SearchMedia's non-PRC enterprise shareholders would become subject to a 10% income tax on any gains they realize from the transfer of their shares, if such income were sourced from within the PRC.

Anticipated Accounting Treatment

The business combination will be accounted for as a reverse recapitalization, whereby SM Cayman will be the continuing entity for financial reporting purposes and will be deemed to be the accounting acquirer of Ideation. The business combination is being accounted for as a reverse recapitalization because (i) after the redomestication and business combination, the former shareholders of SM Cayman will have actual or effective voting and operating control of ID Cayman as SearchMedia's operations will comprise the ongoing operations of ID Cayman, and the senior management of SearchMedia will continue to serve as the senior management of ID Cayman, and (ii) Ideation has no prior operations and was formed for the purpose of effecting a business combination such as the proposed business combination with SearchMedia. In accordance with the applicable accounting guidance for accounting for the business combination as a reverse recapitalization, initially SM Cayman will be deemed to have undergone a recapitalization, whereby its outstanding ordinary shares and warrants will be converted into 6,662,727 ordinary shares of ID Cayman and 1,519,186 ID Cayman warrants. Immediately thereafter, ID Cayman, as the legal parent company of SM Cayman, which is the continuing accounting entity, will be deemed to have acquired the assets and assumed the liabilities of Ideation in exchange for the issuance of ID Cayman securities, which will be identical in number and terms and similar in rights to the outstanding securities of Ideation, provided that, although the securities are similar in rights, significant differences are discussed in the section titled "The Redomestication Proposal Differences of Stockholders Rights." However, although ID Cayman, as the legal parent company of SearchMedia, will be deemed to have acquired Ideation, in accordance with the applicable accounting guidance for accounting for as a reverse recapitalization, Ideation's assets and liabilities will be recorded at their historical carrying amounts, which approximate their fair value, with no goodwill or other intangible assets recorded.

Table of Contents

Regulatory Matters

The business combination and the transactions contemplated by the share exchange agreement are not subject to any additional federal or state regulatory requirements or approvals, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or HSR Act, except for filings with the State of Delaware, State of Arizona and the Cayman Islands necessary to effectuate the transactions contemplated by the redomestication and the share exchange agreement.

Currency Conversion Rates

The consolidated financial statements of SearchMedia are reported in the United States dollar. The financial records of SearchMedia's PRC subsidiaries and its variable interest entity are prepared using Renminbi, or RMB, the currency of the PRC. For convenience, RMB amounts have been converted in certain sections of the proxy statement/prospectus into United States dollars. Unless otherwise noted, the conversion rate for any transaction is the average rate of exchange for such fiscal year, based on the exchange rates quoted by the People's Bank of China; provided, however, that all transactions that occur after December 31, 2008 shall be converted at the rate of 6.8346 RMB to each United States dollar, the exchange rate quoted by the People's Bank of China on December 31, 2008.

Risk Factors

In evaluating the proposals to be voted on at the special meeting, you should carefully read this proxy statement/prospectus, including the annexes to this proxy statement/prospectus and especially consider the factors discussed in the section titled "Risk Factors."

Board Solicitation

Ideation is soliciting proxies on behalf of the Ideation board of directors. Ideation will bear all costs and expenses associated with printing and mailing this proxy statement/prospectus, as well as all fees paid to the SEC. This solicitation is being made by mail, but also may be made in person or by telephone or other electronic means. Ideation and its respective directors, officers, employees and consultants may also solicit proxies in person or by mail, telephone or other electronic means. In addition, SearchMedia shareholders, officers and directors may solicit proxies in person or by mail, telephone or other electronic means on Ideation's behalf. These persons will not receive any additional compensation for these solicitation activities.

Ideation has retained Morrow & Co. to assist it in soliciting proxies. If you have questions about how to vote or direct a vote in respect of your shares, you may call Morrow & Co. at (800) 662-5200.

Table of Contents

RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this proxy statement/prospectus, before you decide whether to vote or direct your vote to be cast to approve the redomestication and the business combination.

If ID Cayman completes the acquisition of SearchMedia pursuant to the share exchange agreement, the resulting company will be subject to a number of risks including risks that currently apply to SearchMedia that would apply to ID Cayman after the business combination. You should carefully consider the risks described below and the other information included in this proxy statement/prospectus before you decide how you want to vote on the proposals. Following the closing of the share exchange agreement, the market price of ID Cayman's securities could decline due to any of these risks, in which case you could lose all or part of your investment.

In assessing these risks, you should also refer to the other information included in this proxy statement/prospectus, including the consolidated financial statements and the accompanying notes of Ideation and SearchMedia, as well as the pro forma financial information set forth herein. You should note that ID Cayman would become a holding company with substantial operations in China following consummation of the business combination. As a result, ID Cayman would be subject to legal and regulatory environments that differ in many respects from those of the United States. ID Cayman's business, financial condition or results of operations could be affected materially and adversely by any of the risks discussed below.

Risks Relating to the Business of SearchMedia

The ability of SearchMedia to continue as a going concern would be materially and adversely affected if it fails to obtain additional financing or the amount of cash in the trust account available to the combined company after the business combination is limited due to Ideation stockholders electing to convert their IPO Shares to cash.

SearchMedia has relied on a combination of private placements and debt financing to help finance its operations and acquisitions, including the earn-out payments to sellers of its acquired businesses. It is uncertain whether it would be successful in negotiating extended payment terms for the promissory notes with its lenders or for the earn-out payments with the sellers of its acquired businesses. Its liquidity and ability to continue as a going concern would be materially and adversely affected if the closing of the business combination were to be delayed or terminated, if the amount of cash in the trust account available to the combined entity after the business combination is substantially reduced, or if the combined entity fails to raise alternative form of financing required for its earn-out payment and other obligations in the absence of the proceeds from the business combination with Ideation, and it fails to negotiate extended payment terms for the promissory notes and/or the earn-out payments.

SearchMedia has been unable, to date, to integrate its acquisitions, and such inability could materially and adversely impact its operations and its ability to detect and prevent financial irregularities.

SearchMedia has rapidly acquired a large number of advertising companies. These companies have various degrees of, and frequently lack, systems and controls, including those involving management information, purchasing, accounting and finance, sales, billings, employee benefits, payroll and regulatory compliance. While SearchMedia has attempted to implement a series of measures to integrate the acquired businesses, such as conducting training programs and integrating media resources and finance staff, such efforts have not, to date, been successful. Failure to successfully integrate the acquired businesses will present a substantial risk that SearchMedia may not be able to achieve the anticipated synergy and fully realize the benefits of these acquisitions.

Moreover, without the integration and successful implementation of those measures and controls at the acquired businesses, SearchMedia has limited ability to detect and prevent material inaccuracies, misstatements or even fraud at the acquired businesses. The importance of implementing and integrating such controls and procedures, including disclosure controls and internal control over financial reporting, is

Table of Contents

heightened given SearchMedia's rapid and significant growth and its engagement of business practices which are more frequently utilized in the PRC than would be the case with similarly situated companies in the United States.

Deteriorations of economic conditions and a resulting decrease in demand for advertising services would materially and adversely affect SearchMedia's financial condition and results of operations and limit its growth prospects.

Demand for SearchMedia's advertising services, and the resulting advertising spending by its clients on its network, is affected significantly by prevailing economic conditions. The current financial crisis and economic downturns in global markets have impacted, and are expected to further impact, materially and adversely, the advertising spending of SearchMedia's existing and potential multinational clients and, as the crisis spreads to China, the advertising spending of its existing and potential domestic clients. With a severe decline in economic conditions, clients who would normally spend on a broad range of traditional and new media may curtail their overall spending or concentrate their advertising spending on one medium. As SearchMedia derives most of its revenues from its billboard and in-elevator advertising networks, a decrease in demand for advertising media in general and for its advertising media or advertising networks in particular would materially and adversely affect its financial condition and results of operations and limit its growth prospects. In addition, SearchMedia's clients who are adversely affected by the worsened economic conditions may delay paying the advertising fees to SearchMedia, which would adversely affect SearchMedia's liquidity and results of operations.

There may be additional risks inherent in SearchMedia's past and future acquisitions and investments, which could materially and adversely affect its business and growth prospects and cause SearchMedia to not realize the anticipated benefits of these acquisitions and investments.

Although SearchMedia has conducted due diligence with respect to its acquisitions, it may not have implemented sufficient due diligence procedures and may not be aware of all of the risks and liabilities associated with such acquisitions. Any discovery of adverse information concerning the acquired companies could have a material adverse effect on SearchMedia's business, financial condition and results of operations. While SearchMedia is entitled to seek indemnification in certain circumstances, asserting indemnification or enforcing such indemnification could be costly and time-consuming and may not be successful at all. SearchMedia has provided for a two-year earn-out payment provision in most of the contracts for these acquisitions, which is fully contingent upon the level of achievement of the acquired company's financial performance. To the extent financial performance of any acquired company exceeds expectations, SearchMedia is obligated to pay a higher purchase price to the seller. In addition, some of the sellers, who agreed to become SearchMedia's employees and manage these acquired companies for SearchMedia during the earn-out period, may leave SearchMedia or be less motivated in performing their service after the two-year earn-out period has expired, which may lead to failure in revenue growth and even loss of clients and/or site contracts.

In the future, SearchMedia may continue to make acquisitions of, or investments in, businesses that SearchMedia believes could complement or expand its current business or offer growth opportunities. To that end, SearchMedia may spend significant management time and resources in analyzing and negotiating acquisitions or investments that are not consummated. Any future acquisitions and investments that are consummated also carry risks, including:

failure in integrating acquired operations or personnel;

diversion of management's attention;

unforeseen or hidden liabilities;

adverse effects on SearchMedia's existing business relationships with its advertisers; and

loss of key employees, clients or distribution partners of the acquired businesses.

Table of Contents

If SearchMedia cannot successfully manage these risks, it may not generate sufficient revenues or other benefits to recover the increased costs from acquisitions or investments and its business and growth prospects could suffer as a result.

Failure to maintain an effective system of internal control over financial reporting may adversely affect SearchMedia's ability to accurately report its financial results or prevent fraud.

SearchMedia has been a private company with limited accounting personnel and other resources with which to establish or strengthen internal controls and procedures. In connection with the audit of SearchMedia's consolidated financial statements as of December 31, 2007 and December 31, 2008 and for the period from February 9 to December 31, 2007 and for the year ended December 31, 2008, SearchMedia's independent auditors identified a number of significant control deficiencies in its internal control procedures which, in the judgment of its independent auditors, adversely affect its ability to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of its consolidated financial statements that is more than inconsequential will not be prevented or detected. Specifically, the significant control deficiencies identified by SearchMedia's independent auditors related to: (1) shortage of experienced accounting and finance personnel with adequate knowledge in US GAAP and SEC reporting requirements; (2) failure to properly identify and document all related party transactions; (3) insufficient implementation of acquisition-related due diligence procedures; (4) insufficient credit control procedures; and (5) ineffective board of directors oversight of financial reporting and internal control.

Following the identification of these control deficiencies, SearchMedia undertook certain remedial steps to address certain deficiencies, including hiring additional accounting staff and training its new and existing accounting staff and conducting due diligence on companies with which it does business to identify related parties. SearchMedia is in the process of setting up an internal audit team to plan and implement Sarbanes-Oxley Act of 2002 related activities, and is hiring additional legal and compliance staff. SearchMedia plans to implement additional steps to address these identified control deficiencies and improve its internal control over financial reporting. However, the implementation of these measures may not fully address these control deficiencies, and to date these control deficiencies have not been remedied. SearchMedia plans to continue to address and remediate the control deficiencies in its internal control over financial reporting in time to be able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act. If, however, SearchMedia fails to implement and maintain the adequate internal control procedures in a timely manner, SearchMedia may not be able to conclude that it has effective internal control over financial reporting.

ID Cayman is subject to reporting obligations under the U.S. securities laws. The United States Securities and Exchange Commission, as required by Section 404 of the Sarbanes-Oxley Act, has adopted rules requiring every public company to include a management report on its internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of the company's internal control over financial reporting. If SearchMedia fails to address and remedy these control weaknesses or deficiencies, ID Cayman or its independent auditors may conclude that the internal control over financial reporting of the combined entity is not effective, or more internal control deficiencies may be identified as a result of conducting a formal audit of internal control over financial reporting in accordance with Public Company Accounting Oversight Board Auditing Standard No. 5. Moreover, effective internal control over financial reporting are necessary for ID Cayman to produce reliable financial reports and is important to help prevent fraud. As a result, any failure to achieve and maintain effective internal control over financial reporting of the combined entity could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm its business.

SearchMedia faces significant competition for advertising spending from operators of new and traditional advertising networks. If it cannot successfully compete, its results of operations would be materially and adversely

affected.

SearchMedia faces competition for general advertising spending from operators of many other forms of advertising networks, such as television, print media, Internet and other types of out-of-home advertising.

Table of Contents

SearchMedia's success depends on the continuing and increased interest of advertising clients and agencies in in-elevator and outdoor billboard advertising as components of their advertising strategies. Advertisers may elect not to use SearchMedia's services if they believe that the viewing public is not receptive to in-elevator and billboard networks or that any of these platforms does not provide sufficient value as an effective advertising medium. If SearchMedia cannot successfully compete for advertising spending against traditional, Internet and other types of out-of-home advertising, SearchMedia will be unable to generate sufficient revenues and cash flows to operate its business, and its results of operations could be materially and adversely affected.

For in-elevator and billboard advertising spending, SearchMedia faces competition from different players across different platforms and in different cities where it operates. For its in-elevator advertising platform, SearchMedia competes primarily against large regional operators and other nationwide operators, such as Shanghai Framedia Advertising Development Ltd., or Framedia, a subsidiary of Focus Media Holding, which has substantially more financial resources than SearchMedia does. For its billboard advertising platform, SearchMedia competes against mostly local or regional outdoor billboard owners and operators, as the outdoor billboard market in China is largely fragmented. For its subway advertising platform, SearchMedia competes against other seasoned operators such as JCDecaux. SearchMedia competes for advertising spending on these platforms generally on the basis of network coverage, service quality and brand name. If it cannot compete successfully for advertising spending on these platforms, its market share and its results of operations would suffer.

SearchMedia has a limited operating history and operates a non-traditional advertising network, which may make it difficult for you to evaluate its business and prospects.

SearchMedia was incorporated in 2007 and its predecessors entered the out-of-home advertising market in 2005. Accordingly, SearchMedia has a limited operating history for its current operations upon which you can evaluate the viability and sustainability of its business and its acceptance by advertisers. SearchMedia's focus on non-traditional advertising media that lack long and comprehensive industry and market data may also make it hard for you to evaluate SearchMedia's business and long-term prospects.

If SearchMedia fails to develop and maintain relationships with site owners, managers and sublessors that provide it access to desirable locations and network platforms, its growth potential and its business could be harmed.

SearchMedia's ability to generate revenues from advertising sales depends largely on its ability to provide a large network of its media products across media platforms at desirable locations. The effectiveness of SearchMedia's network also depends on the cooperation of site owners and managers to allow it to install the desired types of frames at the desired spots on their properties and, for in-elevator advertising, to keep the elevators in operation and accessible to the viewing public. These in turn require that SearchMedia develop and maintain business relationships with site managers and owners and, for a portion of its network, sublessors that consist primarily of advertising companies. Since the ownership of residential and office buildings is fragmented, maintaining these relationships requires considerable operational resources in terms of contract management and site development and maintenance personnel. If SearchMedia fails to devote the necessary resources to maintaining these relationships or if SearchMedia fails to perform its obligations under the existing leases, these lessors and sublessors may terminate their leases with SearchMedia or not renew them upon expiration. If a significant number of SearchMedia's elevator leases are terminated and it fails to develop relationships with potential lessors and sublessors of new sites, its business could suffer as a result. As there is a limited supply of billboards at desirable locations and a limited number of subway stations, the termination of a significant number of the leases for billboards and light boxes at subway stations could harm SearchMedia's multi-platform growth and operation strategies and its business and prospects could suffer as a result.

Table of Contents

If SearchMedia is unable to obtain or retain desirable placement locations for its advertising poster frames and outdoor billboards on commercially advantageous terms, its operating margins and earnings could decrease and its results of operations could be materially and adversely affected.

SearchMedia's cost of revenues consists primarily of operating lease cost of advertising space for displaying advertisements, depreciation of advertisement display equipment, amortization of intangible assets relating to lease agreements and direct staff and material costs associated with production and installation of advertisement content. SearchMedia's operating lease cost represents a significant portion of its cost of revenues. In the 2007 period and 2008, SearchMedia's operating lease cost accounted for 55.9% and 81.4%, respectively, of its cost of revenues and 17.5% and 42.8%, respectively, of its total revenues. In the future, SearchMedia may need to pay higher amounts in order to renew existing leases, obtain new and desirable locations, or secure exclusivity and other favorable terms. If SearchMedia is unable to secure commercially advantageous terms or pass increased location costs onto its advertising clients through rate increases, its operating margins and earnings could decrease and its results of operations could be materially and adversely affected.

SearchMedia may not have sufficient liquidity to pay earn-out payments when they come due, which could materially and adversely affect its operations.

SearchMedia is obligated to pay earn-out payments over the next two to three years in connection to its acquisitions of a number of advertising businesses in 2008. SearchMedia estimates that the aggregate amount of the earn-out payments will range from \$40 million to \$42 million in the next twelve months from the date of this proxy statement/prospectus and from \$30 million to \$58 million over the following two to three years, based on the performance of the acquired companies to date and forecast for the rest of the earn-out period. If the acquired companies perform better than expected, the actual earn-out payment would be higher than the current estimate, and as a result SearchMedia's cash position and results of operations could be adversely affected. Due to a variety of factors which cannot presently be ascertained, including without limitation, the amount of working capital that SearchMedia will have available upon closing, and the financial performance of both SearchMedia and the acquired companies entitled to receive an earn-out payment, the combined company after the business combination may not have sufficient liquidity to meet its earn-out obligations. If such failure cannot be remedied through renegotiation of the terms of such earn-outs with the acquiring companies or the raising of the required proceeds on reasonable terms, the combined company's operations are likely to be adversely and materially impacted.

Although it has achieved profitability, SearchMedia may incur losses in the future.

SearchMedia may need to make significant expenditures related to the development of its business, including integrating the companies it acquired in 2008. SearchMedia also expects its profitability for 2009 and potentially 2010 to be negatively affected by decreased demand from clients due to the current economic downturn, by share-based compensation charge in relation to issuance of share incentive awards to its employees, and by the amortization expenses in connection with the acquisitions it completed in 2008. In addition, as a subsidiary of a public company, SearchMedia will incur significant legal, accounting and other expenses that it did not incur before this business combination. SearchMedia may not achieve sufficient revenues to achieve or maintain profitability and it may even incur losses in the future for these and other reasons discussed in other risk factors and risks that it cannot foresee.

Failure to manage SearchMedia's growth could strain its management, operational and other resources, which could materially and adversely affect its business and growth potential.

SearchMedia experienced rapid expansion in recent years, which resulted, and will continue to result, in substantial demand on its management resources. To manage its growth, SearchMedia must develop and improve its existing administrative and operational systems and its financial and management controls, and further expand, train and

manage its work force. SearchMedia also needs to incur substantial costs and spend substantial resources in connection with these efforts. SearchMedia may not have the resources to revamp its systems and controls, recruit or train its personnel, or afford to incur the costs and expenses in order to

Table of Contents

successfully manage its growth. Failure to manage SearchMedia's growth may materially and adversely affect its business and growth potential.

The shareholders of Jingli Shanghai may have potential conflicts of interest with SearchMedia.

The shareholders of Jingli Shanghai are also the founders and shareholders of SearchMedia. Conflicts of interests between their dual roles as shareholders of both Jingli Shanghai and SearchMedia may arise. SearchMedia cannot assure you that when conflicts of interest arise, any or all of these individuals will act in the best interests of SearchMedia or that any conflict of interest will be resolved in its favor. In addition, these individuals may breach or cause Jingli Shanghai to breach or refuse to renew the existing contractual arrangements that allow SearchMedia to effectively control Jingli Shanghai and receive economic benefits from it. If SearchMedia cannot resolve any conflicts of interest or disputes between it and the shareholders of Jingli Shanghai, SearchMedia would have to rely on legal proceedings, the outcome of which is uncertain and could be disruptive to its business.

SearchMedia's business depends substantially on the continuing efforts of its senior executives, and its business may be severely disrupted if SearchMedia loses their services.

SearchMedia's future success depends heavily on the continued services of its senior executives and other key employees, their industry expertise, their experience in business operations and sales and marketing, and their working relationships with SearchMedia's advertising clients as well as the site owners, property developers, property management companies, homeowner associations and relevant government authorities that affect the site contracts with SearchMedia.

SearchMedia does not have a long history of working together with some of these senior executives and key employees. If one or more of SearchMedia's senior executives were unable or unwilling to continue in their present positions, SearchMedia might not be able to replace them easily or at all. If any of its senior executives joins a competitor or forms a competing company, SearchMedia may lose clients, site contracts, key professionals and staff members. SearchMedia has entered into an employment agreement with each of its executive officers, which agreement contains non-competition provisions. However, if a dispute arises between SearchMedia and its executive officers, there is no assurance that any of these agreements could be enforced, or to what extent they could be enforced, in China, in light of the uncertainties with China's legal system.

If SearchMedia is unable to adapt to changing advertising trends of advertisers and consumers, it will not be able to compete effectively and it will be unable to increase or maintain its revenues, which may materially and adversely affect its business prospects and revenues.

The competitive market for out-of-home advertising requires SearchMedia to continuously identify new advertising trends of advertisers and consumers. In response to these new advertising trends, SearchMedia may need to quickly develop and adopt new formats, features and enhancements for its advertising network and/or cost-effectively expand into additional advertising media and platforms beyond in-elevator, billboards, and subway platform advertising. SearchMedia may be required to incur, but may not have the financial resources necessary to fund, development and acquisition costs in order to keep pace with new advertising trends. If SearchMedia fails to identify or respond adequately to these changing advertising trends, demand for its advertising network and services may decrease and SearchMedia may not be able to compete effectively or attract advertising clients, which would have a material and adverse effect on its business prospects and revenues.

SearchMedia's growth could suffer if it fails to expand its media networks to include new media offerings, media platforms or enter into new markets.

Currently, SearchMedia's network primarily consists of in-elevator, outdoor billboard and subway advertising. SearchMedia's growth strategy includes broadening its service offerings and possibly entering into new advertising markets. It is difficult to predict whether consumers and advertising clients will accept its entry into new media markets or accept the new media products or platforms it may offer. It is also difficult to

Table of Contents

predict whether SearchMedia will be able to generate sufficient revenues to offset the costs of entering into these new markets or introducing these new products or new media platforms. SearchMedia may also have limited or no prior experience working with these new products, platforms or markets. If SearchMedia fails to expand its media network to include new media products, platforms or markets, its growth could suffer as a result.

Failures to obtain site owners' consents or objections from site owners to the installations of SearchMedia's media products could lead to termination of its contracts or installations, which would harm its results of operations.

PRC real estate laws and regulations require that SearchMedia obtain prior consent of site owners and managers for any commercial use of public areas or facilities of residential properties. SearchMedia generally enters into display placement agreements with site managers. To comply with PRC real estate laws and regulations, SearchMedia also needs to obtain or urge site managers to obtain prior consent of site owners committees or site owners. In some circumstances, it is difficult to locate site owners. If SearchMedia enters into an agreement for display placement with a site manager without the consent from the relevant site owners, it could be subject to fines of up to RMB0.2 million (approximately \$29,000) for each site and be required to remove its advertising posters from the affected building. In addition, site owners who object to the installation of poster frames in their buildings may cause site managers to terminate or fail to renew site contracts with SearchMedia, which would harm its results of operations.

If site managers or owners shut down SearchMedia's displays for site maintenance or other reasons, its business could be adversely affected.

Under certain site leasing contracts SearchMedia entered into with site managers or owners, site managers or owners have the right to shut down SearchMedia's displays with prior written notice if they need to inspect or maintain the sites where SearchMedia has installed advertising displays, or for other reasons such as facility reconstruction. However, under SearchMedia's contracts with its advertising clients, if these displays are shut down for an extended period of time, SearchMedia is required to substitute these suspended displays with alternative displays. If SearchMedia cannot reach an agreement with its clients on the alternative displays, SearchMedia could be required to refund the advertising fees paid by these clients. If a substantial number of SearchMedia's displays are shut down by site managers within a short time period, it may not be able to locate alternative display locations and may incur substantial remedial costs. SearchMedia's relationships with its advertising clients could also suffer and its financial results could be adversely affected.

Unauthorized use of SearchMedia's intellectual property by third parties, and the expenses incurred in protecting its intellectual property rights, may adversely affect its business.

SearchMedia regards its copyrights, trademarks, trade secrets and other intellectual property as critical to its success. Unauthorized use of the intellectual property used in its business may adversely affect its business and reputation. SearchMedia has historically relied on a combination of trademark and copyright law, trade secret protection and restrictions on disclosure to protect its intellectual property rights. SearchMedia has entered into confidentiality agreements with all its employees. SearchMedia cannot assure you that these confidentiality agreements will not be breached, or that SearchMedia will have adequate remedies for any breach.

SearchMedia is in the process of registering in China the SearchMedia trademark and logo used in its business. SearchMedia cannot assure you that its trademark application will ultimately proceed to registration or will result in registration with scope adequate for its business. Some of SearchMedia's pending applications or registration may be successfully challenged or invalidated by others. If SearchMedia's trademark application is not successful, SearchMedia may have to use different marks for affected services or technologies, or enter into arrangements with any third parties who may have prior registrations, applications or rights, which might not be available on

commercially reasonable terms, if at all.

Table of Contents

In addition, monitoring and preventing unauthorized use of SearchMedia's trademarks and other intellectual property is difficult and expensive, and litigation may be necessary in the future to enforce its intellectual property rights. Future litigation could result in substantial costs and diversion of SearchMedia's resources, and could disrupt its business, as well as have a material adverse effect on its financial condition and results of operations.

SearchMedia relies on computer software and hardware systems in managing its operations, the failure of which could adversely affect its business, financial condition and results of operations.

SearchMedia is dependent upon its computer software and hardware systems in supporting the sales, scheduling and maintenance of its network. In addition, SearchMedia relies on its computer hardware for the storage and delivery of the data on its network. Any system failure which causes interruptions to the input and retrieval of data or increases SearchMedia's service time could disrupt its normal network operations. In addition, computer hackers infecting its network with viruses could cause its network to become unavailable. Although SearchMedia believes that its disaster recovery plan is adequate to handle the failure of its computer software and hardware systems, SearchMedia cannot assure you that it will be able to effectively carry out this disaster recovery plan or that it would be able to restore its network operations fast enough to avoid a significant disruption to its business. Any failure in SearchMedia's computer software and/or hardware systems could decrease its revenues and harm its relationships with advertisers and target audiences, which in turn could have a material adverse effect on its business, financial condition and results of operations.

SearchMedia has no business liability, disruption or litigation insurance, and SearchMedia could incur substantial costs if its business is disrupted due to natural disasters, litigation or other business interruptions.

The insurance industry in China is still at an early stage of development. Insurance companies in China offer limited business insurance products and do not, to SearchMedia's knowledge, offer business liability insurance. While business disruption insurance is available to a limited extent in China, SearchMedia has determined that the risks of disruption, cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for SearchMedia to have such insurance. As a result, SearchMedia does not have any business liability, disruption or litigation insurance coverage for its operations in China. Any business disruption or litigation may result in SearchMedia's incurring substantial costs and the diversion of resources.

SearchMedia's operating results are difficult to predict and may fluctuate from period to period.

SearchMedia's operating results are difficult to predict and may fluctuate from period to period. Factors that are likely to cause its operating results to fluctuate include:

its ability to maintain and increase sales to existing advertising clients, attract new advertising clients and satisfy its clients' demands;

the frequency of its clients' advertisements on its network;

the price SearchMedia charges for its advertising time or changes in its pricing strategies or the pricing strategies of its competitors;

effects of strategic alliances, potential acquisitions and other business combinations, and its ability to successfully and timely integrate them into its business;

changes in government regulations in relation to the advertising industry;

lower advertising spending immediately following a major holiday season in China; and economic and geopolitical conditions in China and elsewhere.

Many of the factors discussed above are beyond SearchMedia's control, making its results difficult to predict from period to period. Although SearchMedia did not experience significant seasonality in its business,

Table of Contents

except for generally lower sales in periods immediately following major holiday seasons historically, you should not rely on its operating results for prior periods as an indication of its future results. If SearchMedia's revenues for a particular period are lower than expected, it may be unable to reduce its operating expenses for that period by a corresponding amount, which would harm its operating results for that period relative to its operating results from other periods.

All participants of the employee share incentive plan who are PRC citizens may be required to obtain approval of the PRC State Administration of Foreign Exchange, or SAFE. SearchMedia may also face regulatory uncertainties that could restrict its ability to adopt additional employee share incentive plans for its directors and employees under PRC law. If SearchMedia's employees fail to pay and SearchMedia fails to withhold their income taxes generated from employee share incentive plans, SearchMedia may face sanctions imposed by tax authorities or any other PRC government authorities.

On January 5, 2007, the SAFE issued the Implementing Rules of the Administrative Measures for Individual Foreign Exchange, or the Individual Foreign Exchange Rule, which, among other things, specifies approval requirements for a PRC citizen's participation in the employee stock holding plans or stock option plans of an overseas publicly-listed company. On March 28, 2007, the SAFE issued the Processing Guidance on Foreign Exchange Administration of Domestic Individuals Participating in Employee Stock Holding Plan or Stock Option Plan of Overseas Listed Company, or the Stock Option Rule.

According to the Stock Option Rule, if a PRC domestic individual participates in any employee stock holding plan or stock option plan of an overseas listed company, a PRC domestic agent or the PRC subsidiary of such overseas listed company must, among other things, file, on behalf of such individual, an application with the SAFE to obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with stock purchase or stock option exercise as PRC domestic individuals may not directly use overseas funds to purchase stocks or exercise stock options. Such PRC individuals' foreign exchange income received from the sale of stocks and dividends distributed by the overseas listed company and any other income shall be fully remitted into a collective foreign currency account in PRC opened and managed by the PRC subsidiary of the overseas listed company or the PRC agent before distributing them to such individuals.

SearchMedia's PRC citizen employees who will be granted stock options, restricted share awards of ID Cayman, or PRC optionees, will be subject to the Stock Option Rule upon the completion of the business combination. If SearchMedia or its PRC optionees fail to comply with the Individual Foreign Exchange Rule and the Stock Option Rule, SearchMedia and/or its PRC optionees may be subject to fines and other legal sanctions and ID Cayman and/or SearchMedia may be prevented from granting additional options or other awards of ID Cayman to SearchMedia's PRC employees, which may adversely affect SearchMedia's business operations.

In addition, the General Administration of Taxation has issued certain circulars concerning employee stock options. Pursuant to these circulars, SearchMedia's employees working in China who exercise stock options will be subject to PRC individual income tax. SearchMedia's PRC subsidiaries and consolidated variable interest entities have obligations to file documents related to employee stock options with relevant tax authorities and withhold individual income taxes of those employees who exercise their stock options. If SearchMedia's employees fail to pay and SearchMedia fails to withhold their income taxes, SearchMedia may face sanctions imposed by tax authorities or any other PRC government authorities.

The registered capital of Jieli Network has not been fully paid and Jieli Network has not started its operation, which could cause Jieli Network to lose its business license.

SearchMedia was required to have completed a capital contribution of \$29 million towards the registered capital of Jieli Network by January 16, 2009. However, as of the date of this proxy statement/prospectus, SearchMedia has only contributed \$20.5 million. Jieli Network has obtained approval from the SAIC to extend the payment deadline of the remaining capital contribution to January 15, 2010. According to relevant PRC laws and regulations, if the shareholder delays its capital contribution to a wholly foreign owned enterprise

Table of Contents

such as Jieli Network for more than 30 days, the State Administration of Industry and Commerce, or the SAIC, is entitled to revoke the business license of the enterprise.

Furthermore, according to PRC laws and regulations, the relevant PRC registration authorities may revoke a company's business license if such company, absent reasonable cause, has failed to commence operation of its business within six months after its establishment. From the date of Jieli Network's incorporation on January 16, 2008 through the date of this proxy statement/prospectus, Jieli Network has not commenced operations of its business. Jieli Network has not received any notice from the SAIC or relevant PRC registration authorities of any plan to revoke Jieli Network's business license. However, if Jieli Network's business license is revoked, Jieli Network will need to be dissolved, and SearchMedia must repatriate the capital contributions to an entity outside China. If SearchMedia is unsuccessful in subsequently contributing the repatriated amount to an entity inside China, the business operation of SearchMedia may be adversely and materially affected.

Risks Relating to Doing Business in the People's Republic of China

If the PRC government determines that the contractual arrangements that establish the structure for operating SearchMedia's China business do not comply with applicable PRC laws and regulations, SearchMedia could be subject to severe penalties.

Applicable PRC laws and regulations currently require any foreign entities that invest in the advertising services industry to have at least two years of direct operations in the advertising industry outside of China. SearchMedia is a Cayman Islands corporation and a foreign legal person under Chinese laws. SearchMedia has not directly operated an advertising business outside of China and thus cannot qualify for the requirement of minimum two years experience outside China under PRC regulations. Accordingly, its subsidiary, Jieli Consulting, is currently ineligible to apply for the required business license for providing advertising services in China. SearchMedia currently operates its advertising business through its contractual arrangements with its consolidated variable interest entity in China, Jingli Shanghai, and prior to formation of Jingli Shanghai, through Shanghai Sige Advertising and Media Co., Ltd., or Sige, Shenzhen Dale Advertising Co., Ltd., or Dale and Beijing Conghui Advertising Co., Ltd., or Conghui. Jingli Shanghai is currently owned by two PRC citizens, Ms. Qinying Liu and Ms. Le Yang, and holds the requisite business license to provide advertising services in China. Jingli Shanghai and its subsidiaries directly operate SearchMedia's advertising network, enter into display placement agreements and sell advertising spaces to its clients. SearchMedia has been and is expected to continue to be dependent on Jingli Shanghai and its subsidiaries to operate its advertising business. SearchMedia does not have any equity interest in Jingli Shanghai but receives the economic benefits and assumes the economic risks of it through various contractual arrangements and certain corporate governance and shareholder rights arrangements. In addition, SearchMedia has entered into agreements with Jingli Shanghai and each of the shareholders of Jingli Shanghai which allows it to exert control over Jingli Shanghai.

If SearchMedia, Jieli Consulting, Jieli Network, Jingli Shanghai or any of its future PRC subsidiaries are found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities, including the State Administration for Industry and Commerce, or SAIC, which regulates advertising companies, would have broad discretion in dealing with such violations, including:

revoking the business and operating licenses of Jingli Shanghai or SearchMedia's PRC subsidiary and other affiliated entities, if any;

discontinuing or restricting the operations of any transactions among SearchMedia's PRC subsidiary, Jingli Shanghai and its shareholders;

imposing fines, confiscating the income of Jingli Shanghai or SearchMedia's income, or imposing other requirements with which SearchMedia or its PRC subsidiary and affiliated entities may not be able to comply;

Table of Contents

requiring SearchMedia or its PRC subsidiary and affiliated entities to restructure its ownership structure or operations; or

restricting or prohibiting SearchMedia's use of the proceeds of this transaction to finance its business and operations in China.

The imposition of any of these penalties could result in a material and adverse effect on SearchMedia's ability to conduct its business, and its financial condition and results of operations.

SearchMedia does not have a direct equity ownership interest in the entities that operate its business in China. SearchMedia relies on contractual arrangements with Jingli Shanghai and its shareholders for its China operations, which may not be as effective in providing operational control as would be the case through ownership of a controlling equity interest in such operating entities.

SearchMedia has relied and expects to continue to rely on contractual arrangements with Jingli Shanghai and its shareholders to operate its business in China. For a description of these contractual arrangements, see Information about SearchMedia Corporate Ownership Structure Contractual Arrangements with Jingli Shanghai and its Shareholders and Certain Relationships and Related Party Transactions SearchMedia Related Party Transactions Contractual Arrangements with Jingli Shanghai and its Shareholders. These contractual arrangements include an equity pledge agreement, under which the shareholders of Jingli Shanghai pledged their equity interests in Jingli Shanghai to Jieli Consulting. Such pledge was duly created by recording the pledge on Jingli Shanghai's register of shareholders in accordance with the PRC Collateral Law. According to the PRC Property Rights Law, effective as of October 1, 2007, the pledge needs to be registered with the relevant local branch of the Shanghai Administration of Industry and Commerce. Jingli Shanghai successfully registered the pledge with the Shanghai Administration of Industry and Commerce Chongming Sub-bureau on February 2, 2009. These contractual arrangements may not be as effective as ownership of a controlling equity interest would be in providing SearchMedia with control over Jingli Shanghai. Under the current contractual arrangements, as a legal matter, if Jingli Shanghai or any of its shareholders fails to perform their respective obligations under these contractual arrangements, SearchMedia may have to incur substantial costs and resources to enforce such arrangements, and rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and claiming damages, which may not be effective. For example, if the shareholders of Jingli Shanghai were to refuse to transfer their equity interests in Jingli Shanghai to SearchMedia or its designee when SearchMedia exercises the call option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith towards SearchMedia, SearchMedia may have to take legal action to compel them to perform their contractual obligations. In addition, SearchMedia may not be able to renew these contracts with Jingli Shanghai and/or its shareholders.

In addition, if Jingli Shanghai or all or part of its assets become subject to liens or rights of third-party creditors, SearchMedia may be unable to continue some or all of its business activities, which could materially and adversely affect its business, financial condition and results of operations. If Jingli Shanghai undergoes a voluntary or involuntary liquidation proceeding, its shareholders or unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering SearchMedia's ability to operate its business, which could materially and adversely affect its business and its ability to generate revenue.

All of these contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. The legal environment in the PRC is not as developed as in other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit SearchMedia's ability to enforce these contractual arrangements. In the event SearchMedia is unable to enforce these contractual arrangements, SearchMedia may not be able to exert effective control over its affiliated entity, and its ability to conduct its business may be

materially and negatively affected.

Table of Contents

SearchMedia's affiliated entity may have engaged in business activities without necessary registration with local authorities. This could subject SearchMedia to fines and other penalties, which could have a material adverse effect on SearchMedia's ability to operate its business.

According to relevant PRC laws, a company that sets up a branch to conduct an advertising business in a location where it is not registered must register with the local branch of the State Administration for Industry and Commerce, or SAIC. Jingli Shanghai currently has registered with the local branches of SAIC in Shanghai, Beijing, Guangzhou, Nanjing, Changchun, Chongqing, Chengdu, Dalian, Xi'an, Jinan, Hangzhou, Qingdao, Wuhan, Changzhou, Fuzhou and Shenzhen, where it has set up its headquarters and branch offices. As SearchMedia's business expands, Jingli Shanghai will register other branch offices with the relevant local branch of SAIC of the other cities, but there are no assurances that it will be able to timely register with the local authorities in each of the cities where SearchMedia operates and, as a result, SearchMedia may be subject to penalties for failure to register. These penalties may include disgorgement of profits or revocation of Jingli Shanghai's business license, although SearchMedia believes, as a matter of practice, the authorities typically impose such an extreme penalty only after repeated warnings are ignored or where a violation is blatant and continuous. Because of the discretionary nature of regulatory enforcements in the PRC, there can be no assurances that Jingli Shanghai will not be subject to these penalties as a result of violations of the requirement to register with SAIC or its local branches, or that these penalties would not have a material adverse effect on SearchMedia's ability to operate its business.

Adverse changes in economic and political policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could adversely affect SearchMedia's business.

Substantially all of SearchMedia's business operations are conducted in China. Accordingly, SearchMedia's business, results of operations, financial condition and prospects are subject to a significant degree to economic, political and legal developments in China. China's economy differs from the economies of developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the PRC economy has experienced significant growth in the past 20 years, growth has been uneven across different regions and among various economic sectors of China. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. While some of these measures benefit the overall PRC economy, they may also have a negative effect on SearchMedia. For example, SearchMedia's business, financial condition and results of operations may be adversely affected by changes in tax regulations or government's control over capital investments and foreign currencies. As the PRC economy is increasingly linked to the global economy, it is affected in various respects by downturns and recessions of major economies around the world, such as the recent financial and economic crises. The various economic and policy measures enacted by the PRC government to forestall economic downturns or shore up the PRC economy may not succeed and SearchMedia's business would be negatively affected as a result.

If advertising registration certificates are not obtained for advertisements on SearchMedia's outdoor billboard or rapid transit networks, SearchMedia may be subject to fines.

On May 22, 2006, the SAIC amended the Provisions on the Registration Administration of Outdoor Advertisements, or the new outdoor advertisement provisions. Pursuant to the new outdoor advertisement provisions, advertisements placed on posters, digital displays, light boxes, neon lights via outdoor premises, space, facilities, as well as those placed in rapid transit stations are treated as outdoor advertisements and must be registered in accordance with the local SAIC by advertising distributors and advertising registration certificates must be obtained. After review and examination, if an application complies with the requirements, the local SAIC will issue an Outdoor Advertising Registration Certificate for such advertisement. The content, format, specifications, periods and locations of dissemination of the outdoor advertisement must be submitted for filing with the local SAIC.

SearchMedia requires advertisers to apply for and obtain the registration certificates for their advertisements. If an advertiser displays an advertisement without the requisite registration, the relevant local SAICs may require SearchMedia to disgorge advertising revenues or may impose fines on it.

Table of Contents

SearchMedia's outdoor billboards, light boxes and neon signs are subject to municipal zoning requirements, governmental approvals and administrative controls. If SearchMedia is required to tear down its billboards, light boxes or neon signs as a result of these requirements, approvals or controls, its operations could be materially and adversely affected.

SearchMedia's billboards, light boxes and neon signs are subject to local regulations which may impose detailed requirements regarding municipal zoning requirements and governmental approvals. Each outdoor placement and installation may require a license with specific terms of use. If SearchMedia, or its lessors or sublessors, violate the terms of the license for the relevant placement and installation for a billboard, light box or neon sign, SearchMedia could be required to tear it down. SearchMedia may also be required to tear it down as result of change of municipal zoning requirements or actions taken by local authorities for city beautification, clean-up or other purposes. If SearchMedia loses a significant number of billboards, light boxes and/or neon signs as a result, its business operations would be materially and adversely impacted. Moreover, if SearchMedia is unable to perform its advertising contracts as a result of these losses, it may incur remedial costs and its relationships with its advertising clients and financial results could be harmed as a result.

If SearchMedia were deemed a resident enterprise by PRC tax authorities, it could be subject to tax on its global income and its non-PRC shareholders could be subject to certain PRC taxes.

Under the New PRC Enterprise Tax law effective January 1, 2008, or the EIT law, an enterprise established outside of the PRC with de facto management bodies within the PRC is considered a resident enterprise and will be subject to the EIT at the rate of 25% on its global income. The implementing rules of the EIT law define de facto management as substantial and overall management and control over the production and operations, personnel, accounting, and properties of the enterprise. If SearchMedia were to be considered a resident enterprise by the PRC tax authorities, its global income would be subject to tax under the EIT law at the rate of 25% and, to the extent SearchMedia were to generate substantial amount of income outside of PRC in the future, it would be subject to additional taxes. In addition, if SearchMedia were to be considered a resident enterprise, the dividends it pays to its non-PRC enterprise shareholders would be subject to withholding tax and its non-PRC enterprise shareholders would be subject to a 10% income tax on any gains they would realize from the transfer of their shares, if such income were sourced from within the PRC.

According to SearchMedia's PRC counsel, as of the date of this proxy statement/prospectus, no final interpretations on the implementation of the resident enterprise designation are available for companies such as SearchMedia. Moreover, any such designation, when made by PRC tax authorities, will be determined based on the facts and circumstances of individual cases. As a result, SearchMedia, after consulting its PRC counsel, cannot determine the likelihood of SearchMedia being designated a resident enterprise as of the date of this proxy statement/prospectus.

SearchMedia principally relies on dividends and other distributions on equity paid by its wholly-owned subsidiary to fund any cash and financing requirements it may have, and any limitation on the ability of SearchMedia's subsidiary and affiliated entities to make payments to it could have a material adverse effect on its ability to conduct its business.

SearchMedia is a holding company, which will become a wholly-owned subsidiary of ID Cayman. SearchMedia relies principally on payments of service, license and other fees from Jingli Shanghai to Jieli Consulting, one of SearchMedia's wholly-owned subsidiaries in China, and distributions in turn from Jieli Consulting to SearchMedia to fund its cash and debt service requirements. ID Cayman will be similarly reliant on such distributions in order to fulfill its cash and debt service requirements. Current PRC regulations permit SearchMedia's subsidiaries to pay dividends to SearchMedia only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of SearchMedia's subsidiaries and consolidated affiliated

entities in China are required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital. These reserves are not distributable as cash dividends. Furthermore, if SearchMedia's subsidiaries and consolidated affiliated entities in China incur debt on their own behalf in the future, the

Table of Contents

instruments governing the debt may restrict their ability to pay dividends or make other payments to SearchMedia. In addition, the PRC tax authorities may require SearchMedia to adjust its taxable income under the contractual arrangements SearchMedia currently has in place in a manner that would materially and adversely affect its subsidiaries' ability to pay dividends and other distributions to SearchMedia.

Furthermore, under the previously applicable PRC tax laws and regulations, dividend payments to foreign investors made by foreign-invested enterprises in China, such as Jieli Consulting and Jieli Network, are exempt from PRC withholding tax. Pursuant to the EIT law and the implementing rules that became effective on January 1, 2008, however, dividends payable by a foreign-invested enterprise in China to its foreign investors will be subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where SM Cayman is incorporated, does not have such a tax treaty with China. The new tax law provides, however, that qualified dividends distributed between resident enterprises will be exempt from such requirement. If the PRC tax authorities subsequently determine that SearchMedia should be classified as a resident enterprise, the dividends received from Jieli Consulting and Jieli Network would be regarded as dividends distributed between resident enterprises, and thus be exempt from the new EIT withholding tax. As the interpretations of the resident enterprise designation are unavailable for companies such as SearchMedia, and as the designation is determined based on the facts and circumstances of individual cases, SearchMedia, after consulting its PRC counsel, cannot determine the likelihood of SearchMedia being designated a resident enterprise as of the date of this proxy statement/prospectus and, accordingly, whether the dividends payable to SearchMedia by its PRC subsidiaries would be subject to the withholding tax under the EIT law.

Uncertainties with respect to the PRC legal system could adversely affect SearchMedia.

SearchMedia conducts its business primarily through its subsidiaries and affiliated entities in China. SearchMedia's operations in China are governed by PRC laws and regulations. SearchMedia's subsidiaries are generally subject to laws and regulations applicable to foreign investments in China and, in particular, laws and regulations applicable to wholly foreign-owned enterprises. The PRC legal system is based on statutes. Prior court decisions may be cited for reference but have limited precedential value.

Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded various forms of foreign investments in China. However, China has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, SearchMedia may not be aware of its violation of these policies and rules until some time after a violation. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

SearchMedia may be subject to, and may expend significant resources in defending against, government actions and civil suits based on the content and services SearchMedia provides through its network.

PRC advertising laws and regulations require advertisers, advertising operators and advertising distributors, including businesses such as SearchMedia's, to ensure that the content of the advertisements they prepare or distribute are fair and accurate and are in full compliance with applicable law. Violations of these laws or regulations may result in penalties, including fines, confiscation of advertising fees, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In cases involving serious violations, the PRC government may revoke an offender's license for advertising business operations.

As an operator of an advertising medium, SearchMedia is obligated under PRC law to monitor the advertising content displayed on its network for compliance with applicable law. Although the advertisements displayed on its network may have been previously displayed over public media, SearchMedia may be required to separately and independently vet these advertisements for content compliance before displaying

Table of Contents

them on its networks. In addition, for advertising content related to certain types of products and services, such as alcohol, cosmetics, pharmaceuticals and medical procedures, SearchMedia is required to confirm that the advertisers have obtained requisite government approvals including the advertiser's operating qualifications, proof of quality inspection of the advertised products, government pre-approval of the contents of the advertisement and filings with the local authorities. Previously, SearchMedia did not strictly abide by these requirements. SearchMedia has remedied this noncompliance and has, among other things, employed qualified advertising inspectors who are trained to review advertising content for compliance with relevant PRC laws and regulations. However, there can be no assurances that SearchMedia will not be penalized for its past noncompliance or that each advertisement provided by an advertising client is in compliance with relevant PRC advertising laws and regulations or that the supporting documentation and government approvals provided by its advertising clients are accurate and complete.

Moreover, civil claims may be filed against SearchMedia for fraud, defamation, subversion, negligence, copyright or trademark infringement or other violations due to the nature and content of the information displayed on its network. If consumers find the content displayed on SearchMedia's network to be offensive, site managers and owners may seek to hold SearchMedia responsible for any consumer claims against them or may terminate their relationships with SearchMedia.

In addition, if the security of SearchMedia's content management system is breached and unauthorized images or text are displayed on its network, viewers or the PRC government may find these images or text to be offensive, which may subject SearchMedia to civil liability or government censure, and harm its reputation. If SearchMedia's viewers do not believe its content is reliable and accurate, its business model may become less appealing to them and its advertising clients may be less willing to place advertisements on its network. Government censure, investigation or any other government action, or any civil suits against SearchMedia could divert management time and resources and could have a material and adverse effect on its business, results of operations and financial condition.

Governmental control of currency conversion may materially and adversely affect the value of your investment. Substantial limitations may be imposed on the removal of funds from the PRC to SearchMedia, or the infusion of funds by SearchMedia to its subsidiaries and affiliates located in the PRC.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. SearchMedia receives substantially all of SearchMedia's revenues in RMB. Under SearchMedia's current corporate structure, SearchMedia's income is primarily derived from dividend payments from its PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of its PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to SearchMedia, or otherwise satisfy their foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from the PRC State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. However, approval from appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents SearchMedia from obtaining sufficient foreign currency to satisfy its currency demands, SearchMedia may not be able to pay dividends in foreign currencies to its parent, ID Cayman. As dividends from Chinese operations will be the primary source of revenue production for ID Cayman, failure to be able to receive such dividends could materially and adversely impact the value of your ID Cayman shares and could make it impossible for ID Cayman to meet its cash flow requirements.

On August 29, 2008, SAFE issued the *Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises*, or

Circular No. 142. Pursuant to Circular No. 142, the RMB fund from the settlement of foreign currency capital of a foreign-invested enterprise must be used within the business scope as approved

Table of Contents

by the examination and approval department of the government, and cannot be used for domestic equity investment unless it is otherwise provided for. Documents certifying the purposes of the RMB fund from the settlement of foreign currency capital including a business contract must also be submitted for the settlement of the foreign currency. SearchMedia used to provide loans to Jingli Shanghai in RMB settled from foreign currency capital of Jieli Consulting and Jieli Network. With the strengthened administration on settlement of foreign currency, these previous loan arrangements may no longer be feasible. If the foreign exchange control system prevents Jingli Shanghai from obtaining sufficient RMB to satisfy its currency demands, the operation of SearchMedia may be materially and adversely affected.

SearchMedia's subsidiary in Hong Kong, Ad-Icon Company Limited, is in the process of preparing application documents for submission to the relevant PRC authorities to establish a wholly foreign owned enterprise in China to directly engage in advertising business. Upon establishing such a wholly foreign owned enterprise, it plans to enter into advertising contracts directly with clients and submit those contracts for the purpose of settling foreign currencies. In the meantime, SearchMedia can submit the business contracts between Jieli Consulting/Jieli Network and Jingli Shanghai for the purpose of settling foreign currencies. According to the PRC counsel to SearchMedia, both alternatives are permissible under PRC laws.

PRC regulations relating to the establishment of offshore special purpose vehicles by PRC residents may subject SearchMedia's PRC resident shareholders or SearchMedia to penalties and limit its ability to inject capital into its PRC subsidiaries, limit its PRC subsidiaries' ability to distribute profits to SearchMedia, or otherwise adversely affect SearchMedia.

SAFE issued a public notice in October 2005 requiring PRC residents to register with the local SAFE branch before establishing or controlling any company outside of China for the purpose of capital financing with assets or equities of PRC companies, referred to in the notice as an offshore special purpose vehicle. PRC residents that are shareholders and/or beneficial owners of offshore special purpose companies established before November 1, 2005 were required to register with the local SAFE branch before March 31, 2006. In addition, any PRC resident that is a shareholder of an offshore special purpose vehicle is required to amend its SAFE registration with respect to that offshore special purpose company in connection with any increase or decrease of capital, transfer of shares, merger, division, equity investment or creation of any security interest over any assets located in China or other material changes in share capital. In May 2007, SAFE issued relevant guidance to its local branches with respect to the operational process for SAFE registration, which standardized more specific and stringent supervision on the registration relating to the SAFE notice. SearchMedia has requested its current shareholders and/or beneficial owners to disclose whether they or their shareholders or beneficial owners fall within the ambit of the SAFE notice and has urged those who are PRC residents to register with the local SAFE branch as required under the SAFE notice. The failure of these shareholders and/or beneficial owners to timely amend their SAFE registrations pursuant to the SAFE notice or the failure of future shareholders and/or beneficial owners of SearchMedia who are PRC residents to comply with the registration procedures set forth in the SAFE notice may subject such shareholders, beneficial owners and/or its PRC subsidiaries to fines and legal sanctions and may also limit its ability to contribute additional capital into its PRC subsidiaries, limit its PRC subsidiaries' ability to distribute dividends to SearchMedia or otherwise adversely affect its business. Additional registrations may be required in connection with the acquisition of shares in ID Cayman by existing shareholders of SearchMedia.

PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent SearchMedia from using the proceeds of this transaction to make loans or additional capital contributions to its PRC operating subsidiaries and affiliated entities.

In using the proceeds of this transaction as an offshore holding company of its PRC operating subsidiaries and affiliates, SearchMedia may make loans to its PRC subsidiaries and consolidated affiliates, or SearchMedia may make

additional capital contributions to its PRC subsidiaries. As an offshore holding

Table of Contents

company of its PRC operating subsidiaries and affiliates, any loans by SearchMedia to its PRC subsidiaries or consolidated PRC affiliates are subject to PRC regulations and approvals. For example:

loans by SearchMedia to its wholly-owned subsidiaries in China, each of which is a foreign-invested enterprise, to finance the activities cannot exceed statutory limits and must be registered with SAFE, or its local counterpart; and

loans by SearchMedia to Jingli Shanghai, which is a domestic PRC entity, may require the approval from the relevant government authorities or registration with SAFE or its local counterpart.

SearchMedia may also decide to finance its wholly-owned subsidiaries by means of capital contributions. These capital contributions must be approved by the PRC Ministry of Commerce or its local counterpart. Because Jingli Shanghai is a domestic PRC entity, SearchMedia is not likely to finance its activities by means of capital contributions due to regulatory issues relating to foreign investment in domestic PRC entities, as well as the licensing and other regulatory issues discussed in the Regulatory Matters section of this proxy statement/prospectus. There can be no assurances that SearchMedia will be able to obtain these government registrations or approvals on a timely basis, if at all, with respect to future loans or capital contributions by it to its subsidiaries or Jingli Shanghai. If SearchMedia fails to receive such registrations or approvals, its ability to use the proceeds of this transaction and to capitalize its PRC operations may be negatively affected, which could adversely and materially affect its liquidity and its ability to fund and expand its business.

Fluctuation in the value of the Renminbi may have a material adverse effect on your investment.

The value of the Renminbi against the U.S. dollar, Euro and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. Under the new policy, the Renminbi was permitted to fluctuate within a narrow and managed band against a basket of foreign currencies. This change in policy caused the Renminbi to appreciate approximately 21.5% against the U.S. dollar over the following three years. Since reaching a high against the U.S. dollar in July 2008, the Renminbi has traded within a narrow band against the U.S. dollar, remaining within 1% of its July 2008 high but never exceeding it. As a consequence, the Renminbi has fluctuated sharply since July 2008 against other freely traded currencies, in tandem with the U.S. dollar. It is difficult to predict how long the current situation may last and when and how it may change again.

Substantially all of SearchMedia's revenues and costs are denominated in Renminbi, and a significant portion of its financial assets are also denominated in Renminbi. Thus, a resumption of the appreciation of the Renminbi against the U.S. dollar would, for instance, further increase SearchMedia's costs in U.S. dollar terms. In addition, as SearchMedia principally relies on dividends and other distributions paid to it by its subsidiaries and affiliated entities in China, any significant depreciation of the Renminbi against the U.S. dollar may have a material adverse effect on SearchMedia's revenues and financial condition. In addition, to the extent that ID Cayman, or SearchMedia, needs to convert U.S. dollars into Renminbi for SearchMedia's operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount it receives from the conversion. Conversely, if SearchMedia decides to convert its Renminbi into U.S. dollars for the purpose of making payments for dividends on ID Cayman's preferred or ordinary shares or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to it. Any fluctuation of the exchange rate between the Renminbi and the U.S. dollar could also result in foreign current translation losses for financial reporting purposes.

The approval of the China Securities Regulatory Commission, or the CSRC, may be required in connection with this transaction under a recently adopted PRC regulation. The regulation also establishes more complex

procedures for acquisitions conducted by foreign investors that could make it more difficult for SearchMedia to grow through acquisitions.

On August 8, 2006, six PRC regulatory agencies: the PRC Ministry of Commerce, the State Assets Supervision and Administration Commission, or SASAC, the State Administration for Taxation, the State Administration for Industry and Commerce, the CSRC, and SAFE jointly adopted the Regulations on Mergers

Table of Contents

and Acquisitions of Domestic Enterprises by Foreign Investors, which we refer to as the M&A Regulations, that became effective on September 8, 2006. The new regulations require offshore special purpose vehicles, or SPVs, that are controlled by PRC companies or residents and that have been formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of PRC domestic companies or assets to obtain CSRC approval prior to publicly listing their securities on an overseas stock exchange. On September 21, 2006, the CSRC published a notice on its website specifying the documents and materials that SPVs are required to submit when seeking CSRC approval for their listings outside of China. The interpretation and application of the new regulations remain unclear, and there can be no assurance that this transaction does not require approval from the CSRC, and if it does, how long it will take it to obtain the approval. If CSRC approval is required for this transaction, the failure to obtain or the delay in obtaining the CSRC approval for this transaction would subject ID Cayman or SearchMedia to sanctions imposed by the CSRC and other PRC regulatory agencies. These sanctions could include fines and penalties on SearchMedia's operations in China, restriction or limitation on its ability to pay dividend outside of China, and other forms of sanctions that may cause a material and adverse effect on ID Cayman's business, results of operations and financial conditions.

SearchMedia's PRC legal counsel, Commerce & Finance Law Offices, has advised it that, based on their understanding of the current PRC laws, regulations and rules:

the CSRC currently has not issued any definitive rule or interpretation concerning whether transactions such as the one contemplated in this proxy statement/prospectus are subject to CSRC approval procedures;

despite the above, prior approval from CSRC is not required under the new regulations for this transaction, unless SearchMedia or ID Cayman is clearly required to do so by subsequent rules of the CSRC, because (i) none of ID Cayman, SearchMedia, Jieli Consulting or Jieli Network has acquired any equity or assets of a PRC domestic company and (ii) Jieli Consulting has entered into contractual arrangements with Jingli Shanghai and its shareholders, as current PRC laws and regulations require foreign investors in advertising businesses to meet certain qualifications, and SearchMedia currently does not operate a foreign-invested enterprise which is approved by competent PRC authorities to engage in advertising businesses.

There is still uncertainty as to how the M&A Regulations will be interpreted or implemented. If the CSRC or another PRC regulatory agency subsequently determines that CSRC approval was required for this transaction, SearchMedia or ID Cayman may need to apply for a remedial approval from the CSRC and may be subject to certain administrative punishments or other sanctions from these regulatory agencies. There can be no assurance that new rules and regulations or relevant interpretations will not be issued which may require that SearchMedia or ID Cayman obtain retroactive approval from the CSRC in connection with this transaction. If this were to occur, SearchMedia's or ID Cayman's failure to obtain or the delay in obtaining the CSRC approval for this transaction would subject SearchMedia to sanctions imposed by the CSRC and other PRC regulatory agencies. These sanctions could include fines and penalties on its operations in China, restriction or limitation on the ability to pay dividend outside of China, and other forms of sanctions that may cause a material and adverse effect on their business, results of operations or financial condition.

The new regulations also established additional procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex, including requirements in some instances that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, or that the approval from the Ministry of Commerce be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. Complying with the requirements of the new regulations to complete such transactions could be time-consuming, and any required approval processes, including Ministry of Commerce approval, may delay or inhibit ID Cayman's ability to complete such transactions, which could affect its ability to expand its business or

maintain its market share.

Table of Contents

Any health epidemics and other outbreaks, or war, acts of terrorism and other man-made or natural disasters could severely disrupt SearchMedia's business operations.

SearchMedia's business could be materially and adversely affected by the outbreak of avian influenza, H1N1 Flu, severe acute respiratory syndrome, or SARS, or another epidemic. In recent years, there have been reports on the occurrences of avian influenza and H1N1 Flu in various parts of China, including a few confirmed human cases and deaths. Any prolonged recurrence of avian influenza, H1N1 Flu, SARS or other adverse public health developments in China could require the temporary closure of SearchMedia's offices or prevent its staff from traveling to its clients offices to sell its services or provide on site services. Such closures could severely disrupt its business operations and adversely affect its results of operations.

SearchMedia's operations are vulnerable to interruption and damage from natural and other types of disasters, including snowstorms, earthquakes, fire, floods, environmental accidents, power loss, communications failures and similar events. If any disaster were to occur in the future, SearchMedia's ability to operate its business could be materially impaired.

Risks Relating to the Redomestication and the Business Combination

The combined company's working capital will be substantially reduced by stockholders who exercise their conversion rights, by expenses incurred and payments made in connection with the transaction, and to the extent that Ideation or its affiliates execute contracts to acquire shares of Ideation common stock to be settled out of proceeds from the trust account in connection with attempts to procure the requisite stockholder vote in favor of the Business Combination Proposal. This could result in the combined company being substantially undercapitalized upon consummation of the business combination.

Pursuant to Ideation's current Amended and Restated Certificate of Incorporation, holders of IPO Shares may vote against the business combination and demand that Ideation convert their IPO Shares into their *pro rata* portion of the funds available in the trust account as of the record date. If the Charter Amendment Proposal is approved, then holders of IPO Shares that vote either for or against the business combination may demand that Ideation convert their IPO Shares into their *pro rata* portion of the funds available in the trust account on the record date. To the extent the business combination is consummated and holders of IPO Shares convert those shares to cash, there will be a corresponding reduction in the amount of funds available in the trust account to the combined company following the business combination. As of the record date, assuming both the charter amendment and the business combination are approved, the maximum amount of funds that could be disbursed to Ideation stockholders upon the exercise of their conversion rights is \$78,815,000. The Charter Amendment Proposal, by permitting even those holders of IPO shares which vote in favor of the business combination to elect to convert their shares, will likely result in the working capital of the combined companies being substantially less than what would have been the case had conversion rights remained limited to those holders of IPO Shares who vote against the business combination. Moreover, substantial expenses incurred and other payments required to be made in connection with the transaction will likely further substantially and materially reduce the working capital of the combined companies. For example, the company's working capital will further be reduced by additional payments at or shortly after the closing of the business combination, including: (i) the payment in cash of \$5 million of the principal amount outstanding under the promissory note issued to Linden Ventures, plus all accrued and unpaid interest on this promissory note, in accordance with the share exchange agreement, (ii) the payment in cash of all accrued and unpaid interest on certain other SM Cayman promissory notes, in accordance with the share exchange agreement, (iii) the payment of a deferred underwriting fee in the amount of \$2.73 million, and (iv) the payment of other transaction costs incurred by Ideation and SearchMedia of approximately \$12.2 million as of the date of this proxy statement/prospectus in connection with the redomestication and business combination transactions, including accounting, legal, consulting and advisory fees and expenses incurred with respect to printing, filing, and mailing of the proxy statement/prospectus. As a result of

these payments, there is a significant risk that the net amount of cash from the trust account may not provide sufficient working capital for the combined company's business.

Table of Contents

In the event that the Charter Amendment Proposal is approved and the business combination is completed, stockholders who do not exercise their conversion rights could hold shares in a company that has very few public stockholders, and the ability to buy and sell shares of the combined company's common stock in the future could be significantly impaired.

If the charter amendment is approved, then holders of IPO shares that vote either for or against the business combination may demand that Ideation convert their IPO Shares into their *pro rata* portion of funds available in the trust account on the record date. We anticipate that a significant number of holders of IPO Shares will elect to convert their IPO Shares to cash. As a result, after completion of the business combination, the combined company may have very few public stockholders. This could result in a significant impairment in a stockholder's ability to buy and sell shares in the open market. In addition, failure to meet the minimum number of holders requirement for continued listing could result in the NYSE Amex delisting the combined company's securities from quotation on its exchange, which could further adversely impact a stockholder's ability to buy and sell shares.

Ideation or its affiliates may enter into contracts to acquire Ideation common stock from existing investors in an attempt to procure the requisite stockholder vote in favor of the Business Combination Proposal, which could further deplete the funds available to Ideation in the trust account.