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**M CHANNEL
CORPORATION LIMITED**

流動廣告有限公司*

(Incorporated in Bermuda with limited liability)



**STRATEGIC MEDIA
INTERNATIONAL LIMITED**

(Incorporated in the British Virgin Islands with limited liability)

**JOINT ANNOUNCEMENT
FOR
VOLUNTARY CONDITIONAL CASH OFFER JOINTLY MADE
BY KINGSWAY FINANCIAL SERVICES GROUP LIMITED,
GET NICE INVESTMENT LIMITED AND
YOUNG CHAMPION SECURITIES LIMITED
ON BEHALF OF
STRATEGIC MEDIA INTERNATIONAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
M CHANNEL CORPORATION LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY
STRATEGIC MEDIA INTERNATIONAL LIMITED
OR PARTIES ACTING IN CONCERT WITH IT)**

Joint financial advisers to Strategic Media International Limited



KINGSWAY CAPITAL LIMITED

The Offer has not become unconditional as at 4:00 p.m. on Monday, 19 January 2004. SMI has decided to extend the closing date of the Offer to until 4:00 p.m. on Monday, 2 February 2004.

Reference is made to the announcement dated 6 November 2003 issued by the Company, the announcement dated 29 December 2003 issued jointly by the Company and SMI and the composite offer and response document dated 29 December 2003 issued jointly by the Company and SMI (“Composite Offer Document”). Terms used herein shall have the same meanings as those defined in the Composite Offer Document unless the context requires otherwise.

* For identification purpose only

ACCEPTANCE LEVEL AND EXTENSION OF THE OFFER

As at 4:00 p.m. on Monday, 19 January 2004, SMI had received valid acceptances in respect of 42,575,780 Shares under the Offer, representing approximately 4.01% of the voting rights in the Company.

Save for the Shares tendered for acceptances and the 285,500,562 Shares, representing approximately 26.91% of the voting rights of the Company, held by Star East, which is presumed to be a person acting in concert with SMI, SMI and parties acting in concert with it have no interest in, or options or rights to acquire, any Shares before the offer period and have not acquired, agreed to acquire or dealt in any Shares during the offer period up to the date hereof.

The Offer is conditional upon SMI having received acceptances of the Offer by 4:00 p.m. on Monday, 19 January 2004, which together with the Shares already owned or acquired by it and parties acting in concert with it before or during the offer period, will result in SMI and parties acting in concert with it holding more than 50% of the voting rights of the Company (“Acceptance Condition”).

As the Acceptance Condition had not been fulfilled by 4:00 p.m. on Monday, 19 January 2004, the Offer has not become unconditional.

To give Shareholders who have not yet accepted the Offer further opportunity to give thoughtful consideration to the merit of the Offer, SMI decided to extend the closing date of the Offer to until 4:00 p.m. on Monday, 2 February 2004.

As at the date of this announcement, the minimum public float requirement for listed companies which commenced dealings on GEM before 1 October 2001 of not less than 20% of the issued share capital of the Company under the GEM Listing Rules was satisfied.

WHERE TO SUBMIT YOUR FORM OF ACCEPTANCE

Shareholders intending to accept the Offer should submit their completed Forms of Acceptance, together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for not less than the number of Shares in respect of which he/she/it intends to accept under the Offer, by post or by hand, to the Registrar at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, in an envelope marked “M Channel Cash Offer” as soon as possible but in any event **not later than 4:00 p.m. on Monday, 2 February 2004.**

If Shares have been lodged with a broker/custodian bank through CCASS, Shareholders should instruct their respective broker/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on their behalf on or before the deadline set out by HKSCC Nominees Limited, in this case, **Friday, 30 January 2004**, which is one business day before the latest date on which acceptances of the Offer must be received by the Registrar.

All the other terms of the Offer, as set out in the Composite Offer Document and in the Form of Acceptance, remain unchanged and apply to the extended Offer.

By Order of the Board of
M Channel Corporation Limited
Wong Kun To
Chairman

By Order of the Board of
Strategic Media International Limited
Qin Hui
Sole Director

Hong Kong, 19 January 2004

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

The sole director of SMI accepts full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Company), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those relating to the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to the Company) the omission of which would make any such statement contained in this announcement misleading.

This announcement, for which the Directors collectively and individually accept full responsibility to the extent it relates to the Group, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (i) the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and*
- (iii) all their opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting.