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M CHANNEL CORPORATION LIMITED

流動廣告有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8036)

CHANGE OF QUALIFIED ACCOUNTANT

The board of directors (the “Board”) of M Channel Corporation Limited (the “Company”) announces the following change of Qualified Accountant of the Company with effect from 18 May 2004 due to internal restructuring of the Company after completion of the general offer made by Strategic Media International Limited, currently a substantial shareholder of the Company, in February 2004:

- (1) Mr. Chan Dik Keung, William, currently the Company Secretary of the Company, resigned as the Qualified Accountant of the Company; and
- (2) Mr. Tsang Chung Sing, Edward was appointed as the Qualified Accountant of the Company in place of Mr. Chan. Mr. Tsang has a Bachelor’s degree in Commerce and a Master’s degree in Business. He is a member of the Hong Kong Society of Accountants and has over 20 years of experience in accounting and auditing. Prior to joining the Company, Mr. Tsang was the financial controller of Strategic Media International Limited, a substantial shareholder of the Company.

By Order of the Board
M CHANNEL CORPORATION LIMITED
Wong Kun To
Chairman

Hong Kong, 19 May 2004

* *For identification purpose only*

As at the date of this announcement, the Board comprised of four directors, of which two are Executive Directors, namely Mr. Wong Kun To and Mr. Tong Chin Shing; and two are Independent Non-executive Directors, namely Mr. Pang Hong and Ms. Fung Wan Yiu, Agnes.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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