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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)

RESIGNATION OF DIRECTOR

The board of directors (the “Board”) of M Channel Corporation Limited (the “Company”) announces that Mr. Tong Chin Shing has resigned as an executive director of the Company with effect from 18 August 2004 for pursuing other business interests. Mr. Tong confirms that there is no disagreement with the Board and there are no matters that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to thank Mr. Tong for his valuable contribution to the Company in the past.

On behalf of the Board
M CHANNEL CORPORATION LIMITED
Wong Kun To
Deputy Chairman

Hong Kong, 18 August 2004

As at the date of this announcement, the Board comprised of five directors, of which three are executive directors, namely Mr. Li Kai, Mr. Xing Jing and Mr. Wong Kun To; 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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* *For identification purpose only*