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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)

### **APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND MEMBERS OF AUDIT COMMITTEE**

The board of directors (the “Board”) of M Channel Corporation Limited (the “Company”) announces that:

1. Mr. Cai Yu Sheng was appointed as an independent non-executive director of the Company with effect from 10 November 2004 and became a member of the Audit Committee of the Company on the same day. Mr. Cai, aged 37, graduated from He Bei College of Geology with a Bachelor of Economics Degree. He obtained the Chinese-Lawyer qualification in 1997 and holds a Bachelor of Laws Degree. Mr. Cai has been practising in the legal field in the People’s Republic of China (the “PRC”) for six years. There is no service contract between the Company and Mr. Cai. He is not appointed for any specific term and subject to retirement by rotation and will be eligible for re-election at the annual general meetings of the Company pursuant to the Company’s Bye-Laws. All fees and emoluments to be received by Mr. Cai will be fixed by the Board subject to the shareholders’ approval in the annual general meetings and further announcement will be made by the Company once the director’s fees and emoluments has been fixed by the Board. He is not connected with any directors, senior management or substantial or controlling shareholders (as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”)) of the Company. Mr. Cai does not have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the Laws of Hong Kong) as at the date of this announcement.
2. Mr. Li Jing Hai was appointed as an independent non-executive director of the Company with effect from 10 November 2004 and became a member of the Audit Committee of the Company on the same day. Mr. Li, aged 39, graduated from He Bei College of Geology with a Bachelor of Economics Degree. He is a Certified Tax Agent of the Management Center of Certified Tax Agent of the State Administration of Taxation in the PRC and has over seventeen years of experience in accounting, auditing and finance in the PRC. Currently, he is a Certified Tax

Agent of a tax agent firm in the PRC. Prior to joining this tax agent firm, he was an auditor in Zhong Jing Hua Accountants in the PRC for over four years. There is no service contract between the Company and Mr. Li. He is not appointed for any specific term and subject to retirement by rotation and will be eligible for re-election at the annual general meetings of the Company pursuant to the Company's Bye-Laws. All fees and emoluments to be received by Mr. Li will be fixed by the Board subject to the shareholders' approval in the annual general meetings and further announcement will be made by the Company once the director's fees and emoluments has been fixed by the Board. He is not connected with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Li does not have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO as at the date of this announcement.

In the meantime, the professional qualifications or accounting or related financial management expertise of one of the audit committee member as required under GEM listing rule 5.05(2) are still under assessment, the composition of the audit committee do not fully comply with the requirements under GEM listing rule 5.28 at this current stage. The Board will take appropriate steps to re-comply with the GEM listing rule as soon as possible.

The Board would like to take this opportunity to extend its welcome to Mr. Cai and Mr. Li for their new appointments to the Board.

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

Hong Kong, 10 November 2004

\* *For identification purpose only*

*As at the date of this announcement, the Board comprised of five directors, of which two are executive directors, namely Mr. Xing Jing and Mr. Wong Kun To; and three are independent non-executive directors, namely Mr. Pang Hong, Mr. Cai Yu Sheng and Mr. Li Jing Hai.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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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