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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)

WITHDRAWAL OF WINDING-UP PETITION

SUMMARY

The Board refers to the Winding-up Petition received from iOne Financial Press Limited against the Company on 18 October 2004 and announces that following an application of a Consent Summons by the Petitioner on 11 November 2004, an Order from the High Court was issued on 22 November 2004 consented to the withdrawal of the Petition.

Reference is made to the announcement of the Company dated 27 October 2004 in relation to a Winding-Up Petition (the "Petition") lodged by iOne Financial Press Limited (iOne) on 18 October 2004 against the Company.

The board of directors of the Company (the "Board") wishes to announce that M Channel Corporation Limited (the "Company") has made a settlement agreement with iOne in respect of all outstanding service fees due to iOne. A Consent Summons jointly signed by the Petitioner and the Company was filed on 11 November 2004. On 22 November 2004, the High Court has by way of a consent order to withdraw the Petition issued on 18 October 2004 and vacated the hearing scheduled on 1 December 2004.

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

Hong Kong, 26 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 Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") 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: (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 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 GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting.