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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

Reference is made to the announcement dated 7 December 2004 issued by the Company in relation to the outstanding appointment of independent non-executive directors and audit committee members.

The board of directors (the “Board”) of M Channel Corporation Limited (the “Company”) is pleased to announce that Mr. Li Chi Sing Gary and Miss Ng Yuen Shan Mona have been appointed as independent non-executive directors and audit committee members with effect from 18 March 2005. Following the appointment of Mr. Li and Miss Ng, the Company will have three independent non-executive directors and audit committee members which will satisfy the requirements of 5.05 and 5.28 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

Mr. Li Chi Sing Gary (李志成) (“Mr. Li”), aged 49, had been working in Price Waterhouse (now known as PricewaterhouseCoopers) for five years since 1979. Mr. Li holds a Diploma in accounting from Hong Kong Baptist University and is a practising member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He had worked in Herald Holdings Limited whose shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 0114) as Financial Controller for over 10 years. Mr. Li has not entered into any service contract with the Company and he is not appointed for a 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. Mr. Li is entitled to receive a director’s fee of HK\$5,000 per month, which is determined by the Board with reference to his duties and responsibility. Mr. Li is not connected with any directors, senior management or substantial or controlling shareholders (as defined in the GEM Listing Rules) 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 Securities and Futures Ordinance (“SFO”) (Chapter 571 of the Laws of Hong Kong) as at the date of this announcement.

Miss Ng Yuen Shan Mona (吳宛珊) (“Miss Ng”), aged 47, holds a Diploma in Executive Finance from Dun & Bradstreet (HK) Limited & Institute of Management Studies. She is the founder and director of Essence Accounting and Secretarial Services Limited, a company providing company secretarial services, accounting consultancy and general administration to companies of various sectors. Miss Ng specializes in providing advisory services in taxation and in legal compliance in respect of the Hong Kong Companies Ordinances as well as the Companies Laws of the People’s Republic of China. Miss Ng is also the executive director of a non-profit organization, Canadian University Association (HK) Limited, since 1987. She is

responsible for overseeing the financial and strategic direction and day-to-day operation of the organization. Miss Ng has not entered into any service contract with the Company and she is not appointed for a 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. Miss Ng is entitled to receive a director's fee of HK\$5,000 per month, which is determined by the Board with reference to her duties and responsibility. Miss Ng is not connected with any directors, senior management or substantial or controlling shareholders (as defined in the GEM Listing Rules) of the Company. Miss Ng 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.

The Board would like to take this opportunity to welcome Mr. Li and Miss Ng in joining the Board.

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

Hong Kong, 18 March 2005

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. Li Chi Sing Gary and Miss Ng Yuen Shan Mona.

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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