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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)

WRIT AGAINST A SUBSIDIARY OF THE COMPANY

The Board wishes to announce that a Subsidiary of the Company received a Writ of Summons issued from the High Court on 30 March 2005, regarding the rental fee of public light buses in the sum of approximately HK\$1,170,000 for the period from June 2003 to December 2004. The Group is seeking to resolve the Claim in an amicable way with the Plaintiff.

The board of directors (the “Board”) of M Channel Corporation Limited (the “Company”) wishes to announce that Mobile Media (Minibus) Limited (the “Subsidiary”), an indirectly wholly-owned subsidiary of the Company, has received a Writ of Summons (the “Claim”) issued from the Registry of the High Court on 30 March 2005. The Plaintiff is Wonderful Scenery Properties Limited (the “Plaintiff”) and the Claim is for rental fee of public light buses in the sum of approximately HK\$1,170,000 (the “Claimed Amount”) for the period from June 2003 to December 2004 under a co-operation agreement dated 1 January 2003 entered into between the Plaintiff and the Subsidiary.

The Group is seeking to resolve the Claim in an amicable way with the Plaintiff, which, if successful, will result in minor impact on the financial position of the Group. If the Subsidiary is liable for the full Claimed Amount, there will be an adverse effect on the financial position of the Group.

The Company will make further announcements in the event of any material developments in the proceedings.

Shareholders and potential investors of the shares of the Company are advised to exercise caution in dealing in the shares of the Company.

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

Hong Kong, 8 April, 2005

* *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. 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 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: (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.