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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)

### **CLARIFICATION OF PRESS ARTICLES**

This announcement is to clarify statements in certain press articles appeared in a number of newspapers today in relation to Mr. Qin Hui (覃輝), an indirect controlling shareholder of the Company.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited. (the “Stock Exchange”)

The board of directors (the “Board”) of M Channel Corporation Limited (the “Company”) noted that certain press articles appeared in a number of newspapers today (the “Articles”) reporting that Mr. Qin Hui (“Mr. Qin”), a substantial shareholder of the Company, has been detained for investigation by a Beijing regulatory body on certain problematic loans drawn from and the related collateral pledged to China Minsheng Banking Corp., Ltd. (民生銀行), China Construction Bank (中國建設銀行) and China Merchants Bank (招商銀行) (the “Investigation”).

To avoid any possible misleading information made to the public, the Board wishes to clarify that the Company is not aware of the source(s) of the information on which the Articles are based. As the Company is still trying to contact Mr. Qin, it is not able to verify the accuracy of the contents of the Articles.

The Board wishes to inform that (i) Strategic Media International Limited (“SMI”), the substantial shareholder of the Company of which Mr. Qin holds 100% of the issued share capital of SMI, directly hold approximately 26% of the issued share capital of the Company; (ii) approximately 26.91% of the issued share capital of the Company was indirectly held by SMI Corporation Limited (“SMI Corporation”) of which SMI owned approximately 48.79% of the issued ordinary share capital of SMI Corporation. Apart from items (i) and (ii) above, the Company has no ongoing business dealings and relationship with Mr. Qin. As at the date of this announcement, Mr. Qin is not part of the management team of the Company and its subsidiaries (together the “Group”), and the Group is not financially and/or operationally dependent on Mr. Qin.

Upon receipt of enquiry from the Stock Exchange in relation to the Articles today, the Board has made enquiry with SMI which had confirmed that SMI has not pledged any of its direct equity interest in the Company with the above-mentioned banks or any persons or companies.

Accordingly, the Board considers that the incident has not had and will not have any adverse impact on the Group nor involves any price sensitive information.

Save as the information disclosed herein, there is no other information relevant to the Articles (including any information discloseable under Rule 17.10 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”)) that should be brought to the attention of the Stock Exchange and the public.

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

Made by order of the Board, the directors of the Company collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 15 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 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: (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](http://www.hkgem.com) on the “Latest Company Announcements” page for at least seven days from the date of its posting.*