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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)

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

The board of directors (the “Board”) of M Channel Corporation Limited (the “Company”) announces that Miss Ng Yuen Shan Mona (“Ms. Ng”) and Mr. Li Chi Sing Gary (“Mr. Li”) resigned as the Independent Non-Executive Directors and the Audit Committee members of the Company with effect from 27 June 2005.

Trading in shares of the Company was suspended effective from 11:04 a.m. on 28 April 2005 and remains suspended until further notice.

The Board of the Company announces that Ms. Ng and Mr. Li have resigned as the Independent Non-Executive Directors of the Company with effect from 27 June 2005 due to the need to spend more time in pursuing their own business. Following the resignation, Ms. Ng and Mr. Li have ceased to be the members of the audit committee of the Company with effect from the same day. Ms. Ng and Mr. Li confirmed that there are no disagreements with the Board and that there are no matters relating to their respective resignation that should be brought to the attention of the shareholders of the Company.

Following the resignation of Ms. Ng and Mr. Li, the Board comprises only one independent non-executive director and the audit committee of the Company comprises only one member. Therefore, the Company is not able to comply with Rules 5.05 (1) and (2) and 5.28 of the Rules Governing the Listing of Securities on the Growth Enterprises Market of The Stock Exchange of the Hong Kong Limited (the “GEM Listing Rules”) which require the Company to retain at all times a minimum of three independent non-executive directors, one of whom must have appropriate professional qualifications or accounting or related financial management expertise and three audit committee members. The Company will use its best endeavours to identify suitable candidates to fill in the vacancies within three months as required under rules 5.06 of the GEM listing Rules. Further announcement in relation to the appointment of the new independent non-executive directors and audit committee members will be made by the Company as when appropriate in accordance with the GEM Listing Rules.

\* *For identification purpose only*

The Board wishes to express its sincere gratitude to Ms. Ng and Mr. Li for their valuable contribution to the Company during their tenure of office.

Trading in shares of the Company was suspended effective from 11:04 a.m. on 28 April 2005 and remains suspended until further notice.

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

Hong Kong, 30 June 2005

*As at the date of this announcement, the Board is comprised of three directors, of which two are executive directors, namely Mr. Xing Jing and Mr. Wong Kun To; and one is independent non-executive director, namely Mr. Pang Hong.*

*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.*