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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)

### **PROCEED TO DELISTING STAGE**

The Company has received a letter from the Stock Exchange of Hong Kong Limited (“Exchange”) that the Exchange proposes to exercise its right to cancel the listing of the Company pursuant to Rule 9.14, if the Company cannot submit a viable resumption proposal as required.

As at the date of this announcement, the Company has not submitted a valid resumption proposal to the Listing Division of the Stock Exchange.

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 announces that the Company has received a letter from the Exchange dated 13 January 2006 (the “Letter”) whereby the Company was informed that at the GEM Listing Committee meeting held on 12 January 2006, the GEM Listing Committee endorsed the Listing Division’s proposal to proceed to cancellation of the Company’s listing pursuant to Rule 9.14 of the GEM Listing Rules.

The Letter serves as a notice pursuant to Rule 9.15 of the GEM Listing Rules. The Company is hereby given notice that the Exchange proposes to exercise its right to cancel the listing of the Company. The Company will have a period of six months for the submission of a viable resumption proposal and to remedy those matters that gave rise to the Stock Exchange’s proposal to cancel the listing of the Company. A viable resumption proposal should be submitted at least 10 business days before the expiry of the six months period from the date of the Letter. Failing which, the Exchange will seek the approval of GEM Listing Committee to cancel the listing of the Company on the expiry of the six-month period on 12 July 2006.

\* *For identification purposes only*

The Exchange indicates in the Letter that a viable resumption proposal in the circumstances of the Company should be able to demonstrate the Company's compliance with the GEM Listing Rules and all applicable laws and regulations. In addition, the resumption proposal will need to demonstrate that the Company has a sufficient level of operations and management expertise on the business pursuits of the Company to warrant the continued listing of the Company's securities on the Exchange.

As at the date of announcement, the Company has not submitted any viable resumption proposal to the Listing Division. The Company will submit a resumption proposal to the Listing Division in sought of Company's share trading resumption on the GEM Board of the Exchange in due course.

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**  
**Sun Ling**  
*Executive Director*

Hong Kong, 25 January 2006

*As at the date of this announcement, the Board is comprised of two directors, of which one is executive director, namely Mr. Sun Ling 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.*