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**星 美 國 際**

**SMI CORPORATION LIMITED**  
**星美國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**Stock Code: 198**



**M CHANNEL CORPORATION LIMITED**  
**流動廣告有限公司\***

*(Incorporated in Bermuda with limited liability)*

**Stock Code: 8036**



**SMI PUBLISHING GROUP LIMITED**  
**星美出版集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**Stock Code: 8010**

**CLARIFICATION ANNOUNCEMENT**  
**IN RELATION TO CERTAIN PRESS ARTICLES REPORTING ON MATTERS**  
**RELATING TO AN ACQUISITION OF EQUITY INTEREST IN STRATEGIC**  
**MEDIA INTERNATIONAL LIMITED**

Reference is made to the Companies' announcement dated 20 February 2006 clarifying certain press articles reporting on matters relating to a proposed acquisition of equity interest in Strategic Media International Limited ("SMIL"), the controlling shareholder of the Companies.

This announcement is to clarify statements in certain press articles appeared in The Standard and Sing Tao Daily on 5 April 2006 and Oriental Daily on 6 April 2006 reporting that, among others, Starwin Media Holdings Limited ("Starwin") has acquired 70% equity interest in SMIL and an article appeared in Sing Pao on 26 April 2006 reporting that, among others, Mr. Xing Jing ("Mr. Xing"), the chief executive officer of SMI Corporation Limited ("SMI"), expressed that (i) he considers Starwin does not have sufficient capacity to complete the said acquisition; and (ii) SMIL has communicated to Starwin, both verbal and written, that its co-operation with Starwin be terminated prior to the publication of an announcement in relation to the said acquisition by Starwin on 5 April 2006 (the "Articles").

The Boards wishes to clarify that Mr. Xing has expressed his views on matters relating to SMIL as reported in Sing Pao on 26 April 2006 and that Mr. Xing, has contacted Mr. Qin Hui (“Mr. Qin”), the sole shareholder of SMIL, on 26 April 2006 and was informed and confirmed by Mr. Qin that as of the date of this announcement, Starwin has not acquired any equity interest in SMIL and that Mr. Qin has issued a letter dated 29 March 2006 to Starwin to terminate the Definitive Agreement dated 4 October 2005 and the addendum to the Definitive Agreement dated 29 December 2005, both made between SMIL and Starwin in relation to the acquisition of SMIL and other companies related to it.

At the request of the Companies, trading in the shares of the Companies was suspended from 11:04 a.m. on 28 April 2005 and will remain suspended until further notice.

Reference is made to the Companies’ announcement dated 20 February 2006 clarifying certain press articles reporting on matters relating to a proposed acquisition of equity interest in SMIL.

This announcement is jointly made by SMI, M Channel Corporation Limited (“M Channel”) and SMI Publishing Group Limited (“SMI Publishing”) (the “Companies”) at the request of The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

## **CERTAIN PRESS ARTICLES REPORTING ON MATTERS RELATING TO AN ACQUISITION OF 70% EQUITY INTEREST IN STRATEGIC MEDIA INTERNATIONAL LIMITED**

The boards of directors (the “Boards”) of the Companies noted that there were certain press articles appeared The Standard and Sing Tao Daily on 5 April 2006 and Oriental Daily on 6 April 2006 reporting that, among others, Starwin has acquired 70% equity interest in SMIL and an article appearing in Sing Pao on 26 April 2006 reporting that, among others, Mr. Xing expressed that (i) he considers Starwin does not have sufficient capacity to complete the said acquisition; and (ii) SMIL has communicated to Starwin, both verbal and written, that its co-operation with Starwin be terminated prior to the publication of an announcement in relation to the said acquisition by Starwin on 5 April 2006 (the “Articles”).

Regarding the matters reported in the Articles, the Boards would like to clarify that, through telephone interview with reporter of Sing Pao on 25 April 2006, Mr. Xing has expressed his views on the acquisition of 70% equity interest of SMIL by Starwin as reported in Sing Pao on 26 April 2006 and that Mr. Xing has contacted Mr. Qin on 26 April 2006 and was informed and confirmed by Mr. Qin that as of the date of this announcement, Starwin has not acquired any equity interest in SMIL and that Mr. Qin has issued a letter dated 29 March 2006 to Starwin to terminate the Definitive Agreement dated 4 October 2005 and the addendum to the Definitive Agreement dated 29 December 2005, both made between SMIL and Starwin in relation to the acquisition of SMIL and other companies related to it.

Save as the information disclosed herein, there is no other information relevant to the Articles that is discloseable under Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange (the “GEM Listing Rules”).

At the request of the Companies, trading in the shares of the Companies was suspended from 11:04 a.m. on 28 April 2005 and will remain suspended until further notice.

By the Order of the Board  
**SMI Corporation Limited**  
**Ko Hiu Fung**  
*Company Secretary*

By the Order of the Board  
**M Channel Corporation Limited**  
**Sun Ling**  
*Executive Director*

By the Order of the Board  
**SMI Publishing Group Limited**  
**Li Kai**  
*Executive Director*

Hong Kong, 27 April 2006

*The board of SMI is comprised of seven directors, of which (i) four are executive directors, namely, Mr. Qin Hong, Mr. Li Kai, Mr. Tsang Chi Wai, Eric and Mr. Hao Bin; and (ii) three are independent non-executive directors, namely, Mr. Lam Tak Shing, Mr. Pang Hong and Mr. Qiao Zhen Pu.*

*The board of M Channel 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.*

*The board of SMI Publishing is comprised of six directors, of which three are executive directors, namely, Mr. Xing Jing, Mr. Li Kai and Mr. Hao Bin; one is the non-executive director, namely, Mr. Kwok Yat Ming and two are independent non-executive directors, namely, Mr. Shi Bin Hai and Mr. Yan Chun.*

*The directors of SMI jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to M Channel and SMI Publishing, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, other than those relating to M Channel and SMI Publishing, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission which would make any statements in this announcement misleading.*

*The directors of M Channel and SMI Publishing jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to SMI, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, other than those relating to SMI, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission which would make any statements in this announcement misleading.*

*This announcement, for which the directors 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 of M Channel and SMI Publishing. The directors of M Channel and SMI Publishing, 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.*

*This announcement will remain on the GEM website with the domain name of www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting.*

*\* for identification purpose only*