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**QIN JIA YUAN MEDIA SERVICES COMPANY LIMITED**

**勤 + 緣 媒 體 服 務 有 限 公 司**

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

**(Stock Code : 2366)**

**Directors:**

*Executive Directors:*

Dr. LEUNG Anita Fung Yee Maria (*Chief Executive Officer*)  
Mr. YIU Yan Chi, Bernard  
Mr. TSIANG Hoi Fong

*Non-Executive Directors:*

Dr. Honourable WONG Yu Hong, Philip, *GBS (Chairman)*  
Mr. PFITZNER Kym Richard  
Mr. ZINGER Simon  
Ms. LEE Kwei-Fen  
Mr. LIU Yuk Chi, David  
Dr. WONG Ying Ho, Kennedy, *BBS, JP*  
Mr. FLYNN Douglas Ronald  
Ms. HO Chiu King, Pansy Catilina  
Mr. OWYANG Loong Shiu, Ivan

*Independent non-executive Directors:*

Mr. LAU Hon Chuen, *GBS, JP*  
Mr. LAM Haw Shun, *Dennis, JP*  
Mr. HUI Koon Man, *Michael, JP*

**Registered Office:**

Scotia Centre, 4th Floor  
P. O. Box 2804  
George Town  
Grand Cayman  
Cayman Islands

**Head office and principal place of business in Hong Kong:**

Room 203  
Aon China Building  
29 Queen's Road Central  
Hong Kong

26 January 2010

*To the Shareholders,*

Dear Sir or Madam,

**FINAL DIVIDEND FOR THE YEAR ENDED 30 SEPTEMBER 2009**

**INTRODUCTION**

On 26 November 2009, the Board of Directors of Qin Jia Yuan Media Services Company Limited (the "Company") announced their recommendation of a final dividend for the year ended 30 September 2009 (the "Final Dividend") in scrip form to shareholders of the Company ("Shareholders")

whose names appear on the register of members of the Company on 15 January 2010 (the “Record Date”) equivalent to HK\$0.0088 per ordinary share of US\$0.01 of the Company (the “Share”) with an alternative to the Shareholders to elect to receive the Final Dividend in cash in lieu of all or part of their scrip dividend entitlements (the “Scrip Dividend Scheme”). At the annual general meeting of the Company held on 15 January 2010, the Final Dividend was approved.

The purpose of this document is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by Shareholders in relation thereto.

#### **DETAILS OF THE SCRIP DIVIDEND SCHEME**

Under the Scrip Dividend Scheme, each Shareholder may receive the Final Dividend in one of the following ways:

- (a) wholly by way of an allotment of new Shares with a nominal value of US\$0.01 each (“New Shares”) credited as fully paid and having an aggregate market value (as defined below) equal to, save for adjustment for fractions, the total amount of Final Dividend; or
- (b) wholly by a cash dividend of HK\$0.0088 per Share; or
- (c) partly in cash and partly in New Shares.

For the purpose of calculating the number of New Shares to be allotted, the market value of a New Share has been set at HK\$1.60, which is the average closing price of one Share on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the five consecutive trading days commencing on 11 January 2010. Accordingly, the number of New Shares which Shareholders will receive, in respect of the existing Shares registered in their names as at the Record Date will be calculated as follows:

$$\begin{array}{l} \text{Number of New Shares} \\ \text{to be received} \end{array} = \begin{array}{l} \text{Number of existing Shares held on} \\ \text{the Record Date for which cash} \\ \text{election is not made} \end{array} \times \frac{\text{HK\$0.0088}}{\text{HK\$1.60}}$$

**The last day and time on which Shareholders will be entitled to elect their desired form of Final Dividend is 4:00 p.m. on Wednesday, 17 February 2010.** The number of New Shares to be received will be rounded down to the nearest whole number of the New Shares. Fractional entitlements to New Shares in respect of alternatives (a) and (c) above will not be issued and will be disregarded and the benefit thereof will accrue to the Company. The New Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the existing Shares except that they shall not rank for the Final Dividend.

#### **ADVANTAGES OF THE SCRIP DIVIDEND SCHEME**

The Scrip Dividend Scheme will give Shareholders the opportunity to increase their investment in the Company without incurring brokerage fee, stamp duty or dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that the Shareholders do not elect to receive cash in lieu of New Shares, in whole or in part, such cash as would otherwise have been paid to Shareholders will be retained for use as working capital by the Company.

## **EFFECT OF THE SCRIP DIVIDEND SCHEME**

If all Shareholders elect to receive cash, the total cash dividend payable by the Company would be approximately HK\$6.3 million, on the basis of 718,473,818 Shares in issue as at the Record Date.

Shareholders should note that the New Shares to be issued pursuant to the Scrip Dividend Scheme may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) for those Shareholders who may have notifiable interests (under the SFO, 5% or more interest in the issued share capital) in the Company. **Shareholders who are in any doubt as to how these provisions may affect them as a result of the New Shares arising from the Scrip Dividend Scheme are recommended to seek their own professional advice.**

## **FORM OF ELECTION**

A form of election (the “Form of Election”) is enclosed with this document for use by Shareholders who wish to receive the Final Dividend wholly in cash or partly in cash and partly by the issue of New Shares, or to make a permanent election to receive cash in lieu of any future dividend in scrip form.

**If you elect to receive the Final Dividend wholly in the form of New Shares, you should not complete the Form of Election.**

**If you elect to receive wholly in cash, or partly cash and partly New Shares, you must use the Form of Election.** If you complete the Form of Election but do not specify the number of Shares in respect of which you wish to receive cash under the Scrip Dividend Scheme, or if you elect to receive cash in respect of a greater number of Shares than your registered shareholding on the Record Date, you will be deemed to have exercised your election to receive cash in respect of all the Shares of which you were then registered as the holder.

**Any Shareholder who does not wish to receive the Final Dividend in the form of New Shares must make an appropriate election on the Form of Election in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrars and transfer office, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 17 February 2010. No acknowledgment of receipt of the Form of Election will be issued. If any Shareholder does not complete and return the Form of Election by not later than 4:00 p.m. on Wednesday, 17 February 2010, the Shareholder will receive the Final Dividend in the form of New Shares.**

No Form of Election will be sent to any Shareholder who has made earlier a permanent election to receive cash in lieu of any future dividend in scrip form. Any such Shareholder wishing to change his existing permanent election for cash and to elect to receive New Shares or partly New Shares and partly cash must give at least seven days’ notice in writing before Wednesday, 17 February 2010 (i.e. on or before Wednesday, 10 February 2010) to Union Registrars Limited at the address stated above.

## **LISTING AND DEALINGS**

Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the New Shares to be issued pursuant to the Scrip Dividend Scheme. Subject to the said application being granted by the Stock Exchange, it is expected that share certificates for the New Shares and/or cheques for cash dividend will be posted by ordinary mail to those entitled thereto at their own risk on or before Friday, 26 February 2010. Dealings of the New Shares on the Stock Exchange are expected to commence on Monday, 1 March 2010 after dispatch to Shareholders of the certificates for the New Shares.

The primary listing of the existing Shares is on the Stock Exchange, and there is no official secondary listing of the existing Shares on any other stock exchange. No listing of, or permission to deal in, any of the existing Shares and/or New Shares on any stock exchange other than the Stock Exchange is being or is proposed to be sought.

Dealings in the New Shares may be settled through the Central Clearing and Settlement System and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

## **MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY AND COMPANIES LAW OF THE CAYMAN ISLANDS**

Application has been made by the Company for waiver from strict compliance with rules 19.10(2) and 19.10(3) of the Rules Governing the Listing of Securities on the Stock Exchange regarding the requirements on including in this document summaries of : (a) the provisions of the constitutive documents of the Company in so far as they may affect shareholders' rights and protections and directors' power; and (b) the relevant regulatory provisions of the jurisdiction in which the Company is incorporated. Such waiver was granted by the Stock Exchange on 8 January 2010.

Copies of the memorandum and articles of association of the Company and the Companies Law (2007 Revision) of the Cayman Islands will be available for inspection at the head office of the Company in Hong Kong at Room 203, Aon China Building, 29 Queen's Road Central, Hong Kong during the normal business hours up to and including the date which is 14 days from the date of this document.

## **RECOMMENDATION AND ADVICE**

Whether or not it is to the Shareholders' advantages to receive New Shares or cash, in whole or in part, depends upon their own individual circumstances. The effect on the tax position of any Shareholder will depend on that Shareholder's particular circumstances. If you are in any doubt as to what to do, you should consult your professional advisers. Shareholders who are trustees are recommended to take professional advice as to whether the choice to receive cash or New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

## **EXPECTED TIMETABLE**

Fix the market value of a New Share  
(5 consecutive trading days average) ..... Monday, 11 January 2010 to  
Friday, 15 January 2010

Latest time and date for return of Form of Election ..... 4:00 p.m. on Wednesday,  
17 February 2010

Despatch of share certificates for the New Shares  
and/or cheques for cash dividend ..... on or before Friday, 26 February 2010

Commencement of dealings in the New Shares ..... Monday, 1 March 2010

Yours faithfully,  
**LEUNG Anita Fung Yee Maria**  
*Executive Director and Chief Executive Officer*