

# INVESTMENT IN QJY AS THE COOPERATION PLATFORM BY JAPANESE PRIVATE EQUITY FUND ADVANTAGE PARTNERS WITH NO LESS THAN HK\$170 MILLION BEING THE FIRST INVESTMENT IN THE PRC MARKET



## PRESS RELEASE

Qin Jia Yuan Media Services Company Limited (Stock Code: 2366, hereinafter referred to as the “Group” or “QJY”) is pleased to announce that, subsequent to the increase of Kabouter Management LLC, U.S. Investment Fund’s equity interest in QJY to 5.08%, through market purchases, as announced on 26 May 2010, funds advised by Advantage Partner, LLP and/or its subsidiaries (hereinafter referred to as “Advantage Partners” or “AP”) also decided to become QJY’s strategic partner by investing not less than HK\$170 million in QJY and entered into a cooperation agreement.

### **Subscription of the Placing Shares**

Advantage Partners agreed to subscribe for 5% of the issued share capital of QJY at the issue price of HK\$1.3278 per share, representing a premium of approximately 6% over the average closing price of 10 trading days and a premium of approximately 15% over the closing price on the last trading day before the signing of the Agreement.

### **Issue and Subscription of the Convertible Bonds and Warrants**

QJY shall issue unlisted convertible bonds to Advantage Partners in the principal amount up to HK\$120.9 million convertible into shares at an initial subscription price of HK\$1.3278 per share; and warrants carrying subscription rights to subscribe for approximately 11.4 million shares at an initial subscription price of HK\$1.3278 per share.

### **Lock-up Period**

As a strategic investment in QJY, Advantage Partners’ holdings of the Placing Shares, Convertible Bonds and Warrants in QJY shall subject to a lock-up period of 25 months. Pursuant to the Agreement, such lock-up period shall commence from the completion date (estimated to July 2010) of the Agreement.

### **Use of Proceeds Raised**

The funding provided by AP will primarily be applied by QJY for the rights acquisition and new media platform development related to the development and operations of its multi-media advertising platform and multi-media business with television as the core.

“I have much confidence that the strategic investment by AP will create a win-win situation”, said Dr. Leung, CEO of QJY. Subsequent to AP becoming a substantial shareholder in QJY, we will not only acquire long-term capital support but also, through AP’s long-term investment strategy, assist QJY with international media cooperation, in establishing the first foreign-invested multi-media service platform with television as our core business within the PRC as allowed by State policies and encouragement.

### **Profile of Advantage Partners**

Advantage Partners is a pioneer in the private equity industry in Japan. Founded in 1992, it began providing services to private equity funds in 1997 and today, services several funds aggregating in excess of US\$3.4 billion. Advantage Partners places great importance on supporting its portfolio companies with operational improvements and strategic planning.

“Our investment in QJY is consistent with AP’s long term investment strategy,” said Mr. Emmett Thomas, a Partner in Advantage Partners’ Hong Kong office. “We have strong conviction in QJY’s competitive positioning in China’s media and advertising sector, QJY’s board, management, business history, platform coverage, unique business model and vision for the future, AP believes that QJY is the most ideal strategic partner among all companies engaged in media related business in the PRC. AP is excited to make QJY our first direct investment in the PRC.”

“Our team has carefully reviewed QJY over the past two years,” said Mr. Lincoln Pan Lin Feng, a Director with AP. “AP’s investment strategy is to find truly excellent professional management and develop together a cooperation plan for working toward an agreed vision. We have strong ambitions to support QJY in improving its links with international media partners, including those through AP’s connections in Japan.”

Last year, Premier Wen Jiabao announced that the “Cultural Ventures Planning”, which encourages and welcomes foreign participation in the eight cultural areas\*. As QJY’s business is and will be engaged in the development of six of these areas, QJY firmly believes that our cooperation under such favourable circumstances will be highly successful.

\*Cultural creative, movie &TV production, publishing, printing and duplication, advertising, entertainment, cultural exhibition, digitized content and animation

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This release was issued by Trimaran Corporate Communications on behalf of Qin Jia Yuan Media Services Company Limited. For enquiries, please contact our Senior Account Executive, Canny Liu (Tel: 852-3101 4684).