



**QJY creates TV advertising platform valued at 3.3 billion
and appoints Bernard Yiu as CEO**

Qin Jia Yuan Media Services Company Limited (HKEx: 2366, hereinafter referred to as “QJY”, and together with its subsidiaries, the “Group”) yesterday announced the appointment of Bernard Yiu as the CEO of Qin Jia Yuan International Advertising Company Limited and Qin Jia Yuan (China) Advertising Company Limited, both of which are wholly-owned subsidiaries of QJY. Mr. Yiu will focus on the development of the Group’s primary and secondary businesses, namely TV channel advertising and non-TV advertising respectively and assist the Group in building up a comprehensive advertising operation in Mainland China.

Dr. Anita Leung Fung Yee, CEO of QJY, said, “With the approval of my own new employment contract at the Extraordinary General Meeting held on August 16, 2007, the Group is able to increase the number of industry professionals in its staff without having to incur additional expenses. I will work with such industry professionals to develop the businesses. With Mr. Yiu on board, he will take charge of the operation of the Group’s TV and non-TV media advertising businesses, while I will continue to focus on identifying and negotiating the acquisition of the exclusive advertising agency rights of Mainland TV channels to build up a “QJY’s TV advertising platform”, a platform comparable to a provincial TV station in Mainland China. ”

It is expected that “QJY’s TV advertising platform” will be set up in the fourth quarter of 2007 and will begin to operate in full swing on January 1, 2008. The Group will be able to consolidate the first three quarters’ operating results of the platform into the its 2008 accounts. It is estimated that the platform will encompass 3 to 4 TV channels by 2008 (these 3 to 4 TV channels include the Entertainment Channel of Chongqing TV station and the Drama Channel of Hubei TV

station, both of them have already signed contracts with the Group), with an advertising market value of up to RMB 2.3 billion, calculated by reference to the sales performance of 2006. According to statistics, the total value of China's advertising market reaches RMB 300 billion in 2006. The market share of the platform will be around 0.77%. Based on an annual growth rate of 20% recorded in TV advertising in the past three years, "QJY's TV advertising platform" will operate advertising businesses valued at around RMB 3.3 billion by 2008. Leung Fung Yee added that the Group will continue to acquire exclusive advertising agency rights of 3 to 4 more TV channels during 2008 in order to strengthen and expand the platform. Dr. Leung reported that as the Group has raised around HK\$200 million earlier and the Group will remain in Net Cash condition from now till next year. On top of this, there is a back-up bank loan of over HK\$100 million. Therefore, the Group has enough cash for acquiring advertising agency rights of 2 more TV channels. In other words, there will be enough fund for the operation of "QJY's TV advertising platform" which will start on 1 January 2008 and the Group is not under any pressure.

Bernard Yiu, the newly-appointed CEO, holds a Bachelor Degree of Science in Marketing & Advertising from Indiana University. He is a leading marketing and media communication professional with over 33 years experience in Greater China, having in-depth expertise in managing leading international & local brands across Asia and good knowledge in managing media sales & marketing. Mr. Yiu became the youngest Media Director in the early 80's with Ling-McCann-Erickson, the No.1 advertising agency in Hong Kong then. In the late 90's, when working with McCann-Erickson, he successfully established McCann-Erickson Guangming which eventually became one of the leading joint-venture advertising agencies in Mainland China. Apart from the success of helping McCann-Erickson Guangming become a market player in China, Mr. Yiu's another significant achievement is achieving record sales of airtime during a time of two years when he worked with the TV station as Marketing Director.

Bernard Yiu said, "I accept this new appointment as I have full confidence in the growing advertising industry in China. We are convinced that China advertising industry will be ahead of the United States' in 10 years. The business model of QJY is quite unique as it not only provides advertising agency and planning services like most of advertising companies, but also has

exclusive advertising rights to different TV channels. It means QJY Media can enhance its commercial's value by pushing up audience ratings through close collaborations with other TV stations. The TV advertising platform of QJY is really an innovation. It will probably be the only company which can turn its vision to action in a very near future. ”

According to Bernard Yiu, he has got full support from the Board and the CEO Leung Fung Yee to further develop the Company's advertising businesses including all the promotions of TV channels. To enhance operation efficiency and to cope with the growth in the coming years, he will instrument the establishment of Information System Department to co-ordinate the client databases of different projects of the Group and to provide access to workflows on the various projects.

Bernard Yiu revealed that Qin Jia Yuan (China) Advertising Company Limited has got a license to develop advertising business in more than 30 major cities in China. He will strengthen the sales force in stages and implement the advertising underwriter system (2nd layer agent) together with direct dealing with advertisers. He will identify 4A advertising companies and local China partners to become their second layer advertising agents. The success of their advertising platform is determined by good audience ratings as well as by good packaging of TV programs and advertising packages. In future, more sales and marketing professionals in advertising industry will be invited to join the Group. Bernard Yiu said he is very confident to make the QJY advertising platform become the leading advertising portal in China, and thereby bringing benefits to the Group, cooperative TV stations partners and advertising clients.