



**QJY acquires exclusive advertising agency rights of
the Life Channel of Xiamen TV Station, worth over RMB600 million**

Qin Jia Yuan Media Services Company Limited (HKEx: 2366, hereinafter referred to as “QJY”, and together with its subsidiaries, the “Group”) yesterday announced the acquisition of the exclusive advertising agency rights of the Life Channel of Xiamen TV Station (the “Channel”) by Charm King Development Limited, a wholly-owned subsidiary of the Group. The term of the rights owned is three years. At the expiration of the first three-year term, the Group is entitled to renew the term twice, for two successive terms of three years. The ownership period is nine years in total, ending at December 31, 2016. At the end of 9 years, the Group has the right of first refusal to extend the contract for another three years under the same conditions. For the first three years, the cost of the exclusive advertising rights is RMB 20 million per year. The total agency fee will be increased by 12% and 13.8% respectively for the second and the third three years’ terms. Moreover, the Group agrees to budget of RMB 20 million a year to buy and produce TV programmes (included but not limited to TV dramas), and 5-year broadcasting rights in the Xiamen Area will be offered free to the Channel. The exclusive advertising right is valued to be up to RMB 600 million by an independent business valuer. The acquisition of the exclusive advertising agency rights of the Channel is QJY’s third acquisition of its kind, the first and second being the Drama Channel of Hubei TV Station and Entertainment Channel of Chongqing TV Station.

Dr. Anita Leung Fung Yee (“Dr. Leung”), CEO of QJY, said, “ The latest acquisition by QJY has 3 implications: first, the Group has further realized the business strategy of establishing an unique Chinese QJY TV Advertising Platform (“QJY Platform”). It is expected that in 2008, the advertising value QJY Platform operated will reach around RMB 3.3 billion. At present, it already has an advertising value of RMB 2 billion through owning the exclusive advertising agency rights of three influential local TV channels. Although local TV broadcasting groups viewed the cooperation with the advertising agency of TV channels with caution, QJY Platform has achieved results beyond expectations. Second, Xiamen TV Station has sent a research team of six led by the vice president (business operations) of Xiamen Broadcasting & TV Group to Hubei and Chongqing. The team exchanged ideas with the two

TV stations in order to get a sense of the result of the cooperation with QJY and launched in-depth research on market situations and the development prospect of TV channels before the contract was signed with Xiamen TV Station. The existing QJY Platform formed by the acquisition of exclusive advertising agency rights of the three TV channels indicates the recognition of local influential TV stations on the model of cooperation. It is believed that in the future there will be more TV stations prepared to join, leading to the rapid expansion of QJY Platform. Third, since QJY acquired and began to operate the exclusive advertising agency rights of the Drama Channel of Hubei TV Station in January 2007, Hubei Broadcasting & TV Group has been satisfied with QJY's brilliant results – from the brand advertising, programme procurement, promotions, TV ratings to the credibility of the market. These results have been widespread and acknowledged among local TV stations, and both sides hope that by the year end, there will be more concrete demonstrations of the “win-win” result, and hence stimulate the rapid growth of the business in 2008.

Dr. Leung added that Xiamen is a developed city comparable to a provincial capital. Xiamen has a very unique geographical location, facing Kinmen of Taiwan. She is also a business hub for Fujian's merchants. The Country's policies have given Xiamen special preferences that afford advantages to her in economic growth and external relationship with other regions and countries. Xiamen has been even rated as one of the best places to live in the world. Due to her high consumption power, the demand for advertising placements is undoubtedly huge, creating an optimistic future. Every year, there are many international events held in Xiamen. The International Trade Promotion Conference held every September 8 has caught the attention of most businessmen in the world. QJY will have a lot of opportunities to organize or promote spectacular events through the operation of the exclusive advertising agency rights to the Channel.

Dr. Leung revealed that QJY and Xiamen TV Station reached a ground-breaking cooperative agreement wherein Xiamen Broadcasting & TV Group agreed to grant QJY top priority to negotiate the cooperation for the proposed Satellite Channel of Xiamen TV Station for a period of six months. During this period, QJY will be the first candidate to work with Xiamen TV Station to study the feasibility, reliability and legitimacy of being granted the exclusive advertising agency rights if Xiamen Broadcasting & TV Group can successfully bid for a satellite channel. Xiamen Broadcasting & TV Group plans to set up a new satellite channel to promote the Chinese language education. This consent shows the two parties regards the other a long term and reliable strategic partner. It is thereby believed the chance for QJY Platform to acquire the exclusive advertising rights of a satellite TV channel be much enhanced.

Dr. Leung continued that the Channel is among the top 20 TV ratings in Xiamen, preceding 4 channels of China Central TV (CCTV). With this solid foundation, strategies of channel advertising and the professional team formed for the QJY Platform, QJY is confident that the TV ratings and the social influence of the Channel will be further enhanced. On top of this, a market-oriented company will take charge of the overall operation strategies of the Channel. Following the expansion of the QJY Platform, each TV channel not only be able to share the overall operating costs, but also be able to enjoy the brand impact and achieve the goal of increasing income sources and cutting down expenses. Besides, QJY is allowed to adjust the advertising rate card and discounts, thereby affecting revenue instantly and be able to achieve the benefits of high profit at low cost, and create a all-win situation for TV stations, advertising clients, audience and QJY.