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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. HUNG Hak Hip

Mr. LIU Yuk Chi, David

Dr. WONG Ying Ho, Kennedy, BBS, JP

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:**

Units 7-11, 7th Floor

Yale Industrial Centre

61-63 Au Pui Wan Street

Fotan, New Territories

Hong Kong

8 January 2008

To the Shareholders,

Dear Sir or Madam,

FINAL DIVIDEND FOR THE YEAR ENDED 30 SEPTEMBER 2007

INTRODUCTION

On 26 November 2007, 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 2007 (the "Final Dividend") in scrip form to shareholders of

the Company (“Shareholders”) whose names appear on the register of members of the Company on 2 January 2008 (the “Record Date”) equivalent to HK\$0.028 per 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 2 January 2008, 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\$0.028 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\$4.05, 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 20 December 2007. 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:

$$\begin{array}{l} \text{Number of New Shares} \\ \text{to be received} \end{array} = \begin{array}{l} \text{Number of existing Shares held} \\ \text{on the Record Date for which} \\ \text{cash election is not made} \end{array} \times \frac{\text{HK\$0.028}}{\text{HK\$4.05}}$$

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 Monday, 28 January 2008. 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\$17.3 million, on the basis of 617,782,773 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 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 enclosed 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 Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 28 January 2008. 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 Monday, 28 January 2008, 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 Monday, 28 January 2008 (i.e. on or before Monday, 21 January 2008) to Union Registrars Limited at the address stated above.

LISTING AND DEALINGS

Application will be 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 Monday, 11 February 2008. Dealings of the New Shares on the Stock Exchange are expected to commence on Tuesday, 12 February 2008 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.

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 trading days average)	Thursday, 20 December 2007 to Friday, 28 December 2007
Latest time and date for return of Form of Election	4:00 p.m. on Monday, 28 January 2008
Despatch of share certificates for the New Shares and/or cheques for cash dividend	on or before Monday, 11 February 2008
Commencement of dealings in the New Shares	Tuesday, 12 February 2008

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