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QIN JIA YUAN MEDIA SERVICES COMPANY LIMITED

勤 + 緣 媒 體 服 務 有 限 公 司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 2366)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS –
LEASE OF PROPERTY FROM A CONNECTED PERSON IN
THE PEOPLE’S REPUBLIC OF CHINA
AND
CLARIFICATION TO ANNOUNCEMENT MADE BY THE COMPANY DATED
28 APRIL 2008**

On 26 September 2008, QJY (SZ) Marketing, a wholly-owned subsidiary of the Company, entered into the Shanghai Lease with Beli Yongfu.

Beli Yongfu is wholly owned by Dr. Leung and therefore a connected person of the Company. The lease of the Shanghai Property by QJY (SZ) Marketing under the Shanghai Lease constitutes a continuing connected transaction for the Company.

Reference is made to the announcement made by the Company dated 28 December 2006, relating to among others, the lease of certain properties located at Dongguan, the PRC under three leases for three years commencing from 1 January 2007 at an aggregate annual rental of RMB1,032,000 (equivalent to approximately HK\$1,178,441) from a connected person and the announcement made by the Company dated 10 May 2007 in relation to the lease of the Shenzhen Property and the Guangzhou Property under the Shenzhen Lease and the Guangzhou Lease for three years from 1 June 2007 to 31 May 2010 at an aggregate annual rental of RMB1,335,600 (equivalent to approximately HK\$1,525,122) from two connected persons.

The Lease Agreements, the Shenzhen Lease, the Guangzhou Lease and the Shanghai Lease will be aggregated under Rule 14A.27 of the Listing Rules. The aggregate monetary value of the rental payable under Lease Agreements, the Shenzhen Lease, the Guangzhou Lease and the Shanghai Lease for each financial year ending 30 September 2009, 30 September 2010 and 30 September 2011 falls under Rule 14A.34(2) of the Listing Rules and should be subject to reporting and disclosure requirements under Rules 14A.45 to 14A.47 of the Listing Rules and exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

A. THE SHANGHAI LEASE

On 26 September 2008, QJY (SZ) Marketing, a wholly-owned subsidiary of the Company entered into the Shanghai Lease with Beli Yongfu.

Beli Yongfu is wholly owned by Dr. Leung and therefore a connected person of the Company.

The following is a summary of the Shanghai Lease:

Date	:	26 September 2008
Parties	:	Landlord: Beli Yongfu, a company wholly owned by Dr. Leung, a Director and a controlling shareholder of the Company and is principally engaged in the business of investment Tenant: QJY (SZ) Marketing
Description of the property	:	Flat 1110, Chuang Zhan Da Sha, No. 928 Xikang Road, Jiang'an District, Shanghai, the PRC with a gross floor area of approximately 162.04 square metres
Term of the lease	:	For a term of three years commencing from 1 October 2008 and ending on 30 September 2011
Rental	:	RMB 19,500 per month (equivalent to approximately HK\$22,267) (exclusive of management fees) payable on the 28th day of every month in advance. The rental is determined by reference to a valuation of the rental value of the Shanghai Property by an independent valuer.

B. THE ANNUAL CAP

Both Dr. Leung and Dr. Wong are controlling shareholders and Directors, therefore connected persons of the Company. The Shenzhen Lease and the Guangzhou Lease constitute continuing connected transactions for the Company.

Reference is made to

- (a) the announcement made by the Company dated 28 December 2006, relating to among others, the lease of certain properties located at Dongguan, the PRC under three leases for three years commencing from 1 January 2007 at an aggregate annual rental of RMB1,032,000 (equivalent to approximately HK\$1,178,441) from Winco (Dongguan) Paper Products Co., Ltd.. Winco (Dongguan) Paper Products Co., Ltd., the landlord of the premises under the Lease Agreements is a company controlled by Dr. Wong and Dr. Leung; and

- (b) the announcement made by the Company dated 10 May 2007 in relation to the lease of the Shenzhen Property and the Guangzhou Property under the Shenzhen Lease and the Guangzhou Lease for three years from 1 June 2007 to 31 May 2010 at an aggregate annual rental of RMB1,335,600 (equivalent to approximately HK\$1,525,122) from Huge Smart and Dr. Leung, respectively.

The transactions contemplated under the Lease Agreements, the Shenzhen Lease and the Guangzhou Lease are continuing connected transactions.

The rental payable under the Lease Agreements, the Shenzhen Lease, the Guangzhou Lease and the Shanghai Lease will be aggregated under Rule 14A.27 of the Listing Rules.

Under the Lease Agreements, the Shenzhen Lease, the Guangzhou Lease and the Shanghai Lease, the rental payable for the properties leased thereunder for each of the three financial years ending 30 September 2011 is as follows:

For the year ending 30 September	Rental payable under the Lease Agreements <i>RMB</i>	Rental payable under the Shenzhen Lease and the Guangzhou Lease <i>RMB</i>	Rental payable under the Shanghai Lease <i>RMB</i>	Total rental payable under the Lease Agreements, the Shenzhen Lease, the Guangzhou Lease and the Shanghai Lease <i>HK\$</i>
2009	1,032,000 (equivalent to approximately HK\$1,178,441)	1,335,600 (equivalent to approximately HK\$1,525,122)	234,000 (equivalent to approximately HK\$267,205)	2,970,768
2010	258,000 (equivalent to approximately HK\$294,610) <i>(Note 1)</i>	890,400 (equivalent to approximately HK\$1,016,748) <i>(Note 2)</i>	234,000 (equivalent to approximately HK\$267,205)	1,578,563
2011	–	–	234,000 (equivalent to approximately HK\$267,205)	267,205

Notes:

- The rental payable under the Lease Agreements for the year ending 30 September 2010 is calculated for the period from 1 October 2009 to 31 December 2009 (assuming no renewal of the three-year term).
- The rental payable under the Shenzhen Lease and the Guangzhou Lease for the year ending 30 September 2010 is calculated for the period from 1 October 2009 to 31 May 2010 (assuming no renewal of the three-year term).

C. REASONS FOR ENTERING INTO SHANGHAI LEASE

The Group is principally engaged in the provision of media services in the PRC, comprising TV programme related services, marketing and public relations services and advertising business in the PRC.

With the expansion of the advertising business of the Group, the Group will need to have an office for clients meetings and presentation in Shanghai where the headquarters of a number of well-known enterprises are located. The Shanghai Property is located at a convenient location easily accessible via public transportation network.

Having considered the above factors, the Board considered it in the interest of the Group and the shareholders of the Company to enter into the Shanghai Lease. The Directors (including the independent non-executive Directors) considered the terms of the Shanghai Lease, including the rental payable, to be on normal commercial terms and fair and reasonable and in the interest of the Company and the shareholders as a whole.

D. GENERAL

As the percentage ratio of the aggregate rental payable under the Lease Agreements, the Shenzhen Lease, the Guangzhou Lease and the Shanghai Lease on an annual basis for each of the financial years ending 30 September 2009, 30 September 2010 and 30 September 2011 is less than 25%, the Lease Agreements, the Shenzhen Lease, the Guangzhou Lease and the Shanghai Lease should be subject to reporting and disclosure requirements under Rules 14A.45 to 14A.47 of the Listing Rules and exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

E. CLARIFICATION TO ANNOUNCEMENT MADE BY THE COMPANY DATED 28 APRIL 2008

Reference is made to the announcement made by the Company dated 28 April 2008 in relation to, among others, the appointment Ms. Ho Chiu King Pansy Catilina ("Ms. Ho") as non-executive Director. The Company wishes to clarify that Ms. Ho was an executive director of Prime Investments Holdings Limited, a company listed on the Main Board of the Stock Exchange and retired by rotation on 16 January 2006.

F. DEFINITIONS

In this announcement, unless otherwise defined, terms used shall have the following meanings:

“Beli Yongfu”	碧利永富投資諮詢(深圳)有限公司(Beli Yongfu Investment Consulting (Shenzhen) Co. Ltd.*), a company wholly owned by Dr. Leung;
“Board”	the board of Directors;
“Company”	Qin Jia Yuan Media Services Company Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange;
“Directors”	directors of the Company from time to time;
“Group”	the Company and its subsidiaries;
“Guangzhou Lease”	the lease dated 10 May 2007 entered into between QJY (SZ) Production Services and Dr. Leung in respect of the Guangzhou Property;
“Guangzhou Property”	Unit 1209, 12th Floor, Block A, Center Plaza, No. 161 Linhe Xi Road, Tianhe District, Guangzhou, Guangdong Province, the PRC
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Huge Smart”	Huge Smart Asia Limited (宏俊亞洲有限公司), a company wholly owned by Dr. Leung and Dr. Wong;
“Lease Agreements”	the three lease agreements dated 28 December 2006 entered into between Winco (Dongguan) Paper Products Co., Ltd. and QJY (SZ) Production Services, as more particularly described in the announcement made by the Company dated 28 December 2006;
“Dr. Leung”	Dr. LEUNG Anita Fung Yee Maria, the Chief Executive Officer of the Company and an executive Director and a controlling shareholder of the Company who is deemed to be interested in approximately 31% of the issued share capital of the Company. Dr. Leung is the spouse of Dr. Wong;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	The People’s Republic of China, and for the sole purpose of this announcement excludes the Hong Kong, Macau Special Administrative Region and Taiwan;

“QJY (SZ) Marketing”	勤加緣市場策劃(深圳)有限公司(Qin Jia Yuan Marketing (Shenzhen) Limited*), a wholly owned subsidiary of the Company;
“QJY (SZ) Production Services”	勤加緣製作服務(深圳)有限公司(Qin Jia Yuan Production Services (Shenzhen) Company Limited*), a wholly owned subsidiary of the Company;
“Shanghai Lease”	the lease dated 26 September 2008 entered into between QJY (SZ) Marketing and Beli Yongfu in respect of the Shanghai Property;
“Shanghai Property”	Flat 1110, Chuang Zhan Da Sha, No. 928 Xikang Road, Jiang’an District, Shanghai, the PRC;
“Shenzhen Lease”	the lease dated 10 May 2007 entered into between QJY (SZ) Production Services and Huge Smart in respect of the Shenzhen Property;
“Shenzhen Property”	House No. 11, Phase 3(B), Regency Park, No. 8 Yinhu Road, Luohu District, Shenzhen, Guangdong Province, the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Dr. Wong”	Dr. Honourable WONG Yu Hong, Philip, GBS, a non-executive Director and Chairman of the Company and a controlling shareholder of the Company who is deemed to be interested in approximately 31% of the issued share capital of the Company. Dr. Wong is the spouse of Dr. Leung;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“RMB”	Renminbi, the lawful currency of the PRC.

In this announcement, RMB1.00 is taken to be equivalent to HK\$1.1419. The conversion rate is for the purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforementioned or any other rates.

As at the date of this announcement, the Board consists of: three executive directors: Dr. LEUNG Anita Fung Yee Maria (*Chief Executive Officer*), Mr. YIU Yan Chi, Bernard and Mr. TSIANG Hoi Fong, nine 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 and Dr. WONG Ying Ho, Kennedy, *BBS, JP*, Mr. FLYNN Douglas Ronald and Ms. HO Chiu King Pansy Catilina and three independent non-executive directors: Mr. LAU Hon Chuen, *GBS, JP*, Mr. LAM Haw Shun, Dennis, *JP* and Mr. HUI Koon Man, Michael, *JP*.

By Order of the Board of
QIN JIA YUAN MEDIA SERVICES COMPANY LIMITED
LEUNG Anita Fung Yee Maria
Chief Executive Officer and Executive Director

Hong Kong, 26 September 2008

* *for identification purposes only*