

Qin Jia Yuan's ("the Group") remarkable achievement in the 2005 fiscal year testifies to China's successful open-door policy and steady GDP growth, which have provided favourable conditions for the Group to thrive.

Without doubt, the fast economic growth in Mainland China is expected to continue in stride. With an increase in disposable income, publicity services such as the media, advertising, entertainment, and public relations will be benefactors of such phenomenal growth. Upcoming international events, such as the Beijing Olympics in 2008, Shanghai World Expo in 2010, and Guangzhou Asian Games in 2010 will stimulate consumer spending. Intensified

competitions in the market will increase budgets allocated to the publicity and promotion of products and services, and the prospect of the core businesses of the Group in future will therefore be further enhanced. As a one-stop provider of these services, the Group will continue to operate in its own unique style to seize such exciting opportunities for growth and development.

The Group will continue to strengthen the core businesses and develop investment procurement and provision of planning operations for quality TV programmes. Meanwhile, the Group is applying for the incorporation of a Sino-foreign joint venture to expand advertising services beyond its specialized syndication program. In addition, the Group has begun to explore media service territories beyond television. The Group will continue to strengthen its footing on prime time television advertisement platform with major



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television stations in China, so as to maintain its unique position in the television media market of China. The overarching goal of the Group is to become one of the prominent providers of TV programmes for all Chinese communities as well as a "multi-media supermarket" in Mainland China, serving various clients who need excellent media advertising and public relations services.

We are encouraged by the strong response from investors in our public offering this year. In the coming year, we will intensify our collaboration with large media companies, both in China and overseas. This is a very important strategy of the Group. We will also apply consistently the policy of emphasizing our relationship with the investors since listing, and continue to develop open channels of communication between the Group and both local and international investors, to

foster their understanding of and confidence to the Group's operations and prospect.

On behalf of the Board of Directors, I would like to express our gratitude to our management team and to all our staff for their hard work and dedication. I am also grateful to my fellow directors for their invaluable supports and advice throughout the year. We will continue to work with integrity and diligence, and hope that our efforts will be worthy of the trust bestowed upon us by our investors and partners.

Wong Yu Hong, Philip

Chairman

Hong Kong, 15 December 2005

continue to **grow**