

## CHAIRMAN'S STATEMENT

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I am delighted to announce that Qin Jia Yuan Media Services Company Limited ("the Group") has for the third consecutive year recorded annual net profit growth of over 26% since its listing. This resilient growth rate was attributable to the Group's seamless collaboration with Mainland television ("TV") stations, the staunch support of strategic partners, loyalty of advertising clients and the concerted efforts of our directors and staff. On behalf of the Board of Directors, I would like to express our heartfelt thanks to all.

Rapid economic growth has attracted more and more international enterprises to set up office in China that help to build a harmony and well-off society. Moreover, the implementation of open policies for media industries in recent years have created opportunities for the Group to continue to provide one-stop services in the areas of TV program investment, production, procurement, distribution, advertising and related public relations through its own unique

business model. The Group has not only succeeded in exploring new sources of TV dramas to meet the demands of China's 1.2 billion TV viewers, but also in managing costs to continually drive profitability in line with or exceeding projections.

Since its listing, the Group expanded its collaboration base from one major Mainland TV station to eight prominent TV stations in Mainland China in 2006. With a powerful nationwide network of industry professionals covering funding, production, sales and distribution now in place, we are poised to drive dramatic market share growth in prime time Mainland China TV dramas over the coming months and years.

With the proliferation of different forms of media, our position as a leading content provider of quality TV programs provides us with access to prime-time TV advertising platform. At the same time, partnerships formed during the first



continue to  
grow

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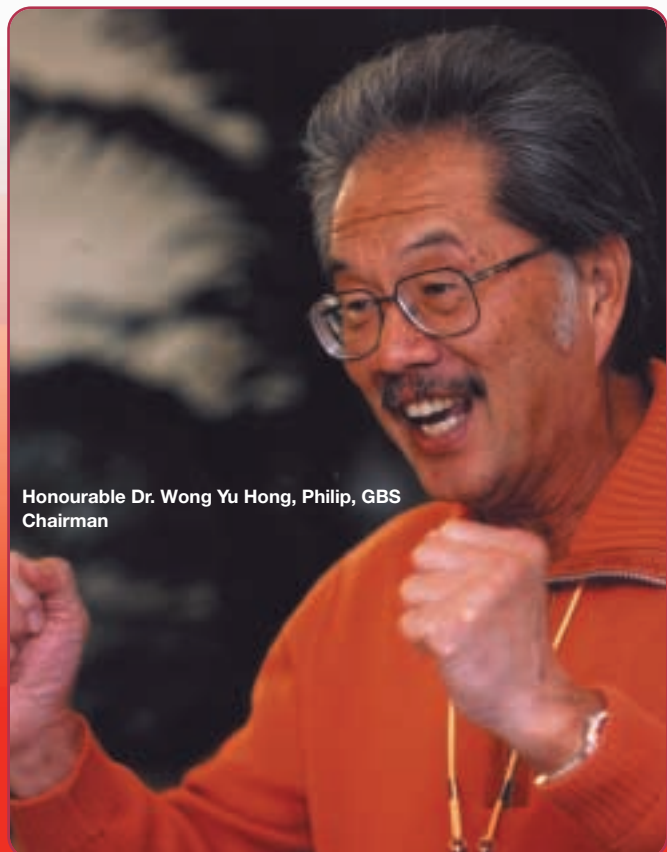
half of this year with the advertising operations of national non-TV media will help us gain access to new and different forms of media. These partnerships complement our TV advertising business with accretive and synergistic growth opportunities that will help to further expand the scope and impact of our core capabilities. Building from this base and from the planned launch of an advertising company, the Group will continue to expand its business and build a multi-media supermarket in Mainland China.

Policies adopted recently by the Chinese government are extremely beneficial to Hong Kong companies engaged in funding, production, sales and distribution of TV programs in the Mainland and have further strengthened the Group's competitive edge. As

we continue to drive robust growth from our core business platform, enhance our collaboration with foreign and domestic enterprises, and tap into the enormous media services market in Mainland China, we are confident in our ability to continue creating value for our shareholders, staff and strategic partners.

**Wong Yu Hong, Philip**  
*Chairman*

Hong Kong, 22 November 2006



Honourable Dr. Wong Yu Hong, Philip, GBS  
Chairman