

Jade Dynasty Announced The Plan to Acquire Two Motor Trading Companies in Beijing to Engage in the Dealerships of Bentley, Lamborghini and Rolls Royce Cars in the PRC

(Hong Kong, 24 January 2008)—**Jade Dynasty Group Limited** ("Jade Dynasty"/ "the Group") (HKSE code: 970), announced that its wholly-owned subsidiary JD Motor Cars Limited ("JD Car") entered into a framework agreement with Sparkle Roll Holdings Limited ("Sparkle Roll"/ "vendor") on 9 January 2008 to acquire rights to control, manage and operate Beijing Mei He Zhen Yong Motors Trading Limited ("Mei He") and Beijing De Te Motors Trading Limited ("De Te") as well as the exclusive entitlement to all of the economic benefits derived from the dealership of Bentley cars ("the BL dealership") and Lamborghini cars in Beijing, the PRC (the LB dealership) under Mei He and the dealership of Rolls Royce cars in Beijing, the PRC ("the RR dealership") under De Te at the aggregate consideration of HK\$402,000,000. Mei He is principally engaged in the operation of the BL dealership and the LB dealership, while De Te operates RR dealership. They will become the associates of the Group after completion of the acquisition.

The consideration is to be settled as to (i) HK\$50,000,000 in cash upon signing of the framework agreement; (ii) HK\$88,000,000 through the issue of 400,000,000 acquisition consideration shares at a price of HK\$0.22 per share at completion of the acquisition; and (iii) HK\$264,000,000 by way of the issue of the convertible note bearing interest of 4% per annum payable semi-annually and maturity of 4 years at completion and, upon full conversion, can be converted into 1,200,000,000 conversion shares at a price of HK\$0.22 per share.

Mr. Qi Jian Hong, the sole owner of Sparkle Roll, guaranteed that Mei He and De Te would have combined tangible assets of not less than HK\$40,000,000. He also guaranteed that the aggregated audited profit after tax of Mei He and De Te will be not less than HK\$55,000,000 and HK\$65,000,000 for the two years ending 31 December 2008 and 2009 respectively provided that the two companies are equipped with reasonably sufficient working capital.

Mr. Ivan Tong, Deputy Chairman of the Group said, "We have been seeking various investment opportunities to diversify the Group's business into other areas to tap into the buoyant economy of the PRC. We see dealership of ultra-luxury cars and super cars is an ideal entry point. After we have gained a firm foothold, we are hoping to expand to other luxury goods market."

The BL dealership and the LB dealership are to be transferred from Beijing Bin Li Group Limited ("BJBG") to Mei He while the RR dealership is to be transferred from Beijing Ying Shang Tong Trading Development Limited ("Beijing YST") to De Te. BJBG and Beijing YST, which are majority owned and controlled by Mr. Qi, are the previous operators of the dealerships.

Bentley, Lamborghini and Rolls Royce are categorized as super-luxury cars whose prices range from RMB3, 000,000 to RMB8, 000,000 and vary depending on different models. Their remarkable sales record has fueled confidence in future performance. China is now the biggest market for Bentley cars as the total sales volume grew 93% in 2007 while a 50% growth in sales volume in 2006 has made China the fastest growing market for Rolls Royce cars. Sales volume of Lamborghini cars in China achieved a 30% boost in 2006. The luxury car market in China harbors great potential.

Mr. Ivan Tong added, "Mr. Qi has extensive business experience and network in the PRC. Apart from operating the car dealerships, he is also engaged in retail distribution of luxury goods such as branded clothing, jewelry and watches in the PRC. We believe that Mr. Qi's expertise in the retail of luxury goods, together with his well-established relationships with the national agents of the relevant car manufacturers, would lead the dealership business to flourish. The acquisition enables us to capture this fast-growing and lucrative business opportunity and enhance overall return for shareholders."

Trading in the shares on the Stock Exchange was suspended with effect from 2:30 p.m on 9 January 2008 pending the release of the announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares from 9:30 a.m. on 24 January 2008.

About Jade Dynasty Group Limited (HKSE Code: 970)

Jade Dynasty Group Limited is the emerging leading animations studio in the PRC. Its local market share in terms of sales of Chinese home-grown comics and Japanese translated comics in Hong Kong is over 50%. The Group owns more than 100 comics titles and has accumulated over 10 years experience in the comics industry. Currently, the Group publishes 11 home-grown comics titles on a weekly, bi-weekly or monthly basis and an average of 30 volumes licensed comics titles from Japan on a monthly basis. Also, the Group sells its comics titles in 14 countries, which have been translated into 10 languages.

The Group and CCTV entered into the Joint Investment Production Agreement of Animated TV Series on 9 March 2006 for the animated TV series titled "Shen Bing Kids". It becomes the first animations enterprise outside the PRC cooperating with CCTV since the issuance of "Comments on Developing Country's Film, Television and Animations Industry" by the State Administration of Radio, Film and Television in 2004. "Shen Bing Kids" is a 52-episode animated TV series co-adapted from the Group's home-grown comics "The Weapon" and co-created and co-produced by CCTV and Jade Dynasty. Broadcast of the first 26 episodes of "Shen Bing Kids" finished on 6 November 2007 on CCTV children channel and was repeated on the same channel from 10 November 2007 onwards. The last 26 episodes already premiered on 1 January 2008 on the same channel.

~Page 2 of 3~

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In November 2006, the Group acquired 51% interest of Dragon Animation Limited to produce animated series using the figure of world-famous film star Jackie Chan. The production of the first 26 episodes of such animated series will be completed in 2008. For sustainable animations development in the Chinese community, the Group entered into a formal sale and purchase agreement in respect of the acquisition of the controlling interest of Hongying Group in August 2007. Such acquisition was approved in a Special General Meeting on 20 September 2007 and was completed in early November 2007. Upon such, the Group can produce and launch its own home-grown animations titles in form of domestic animations.

About Beijing Bin Li Group Limited

Established in 2002, Beijing Bin Li Group Limited is controlled by Mr. Qi Jian Hong and has an extensive business portfolio encompassing high-end retail (watches, jewelry, apparel, tobacco), sales of motor vehicles and car accessories, cultural development and F&B businesses.

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