

Jade Dynasty Announces Annual Results 2007
Net Profit Recorded at HK\$11,363,000
Proposed Final Dividend of HK0.2 cents Per Share
Optimized Comics and Animations Value Chain

(Hong Kong, 26 July 2007) ----- **Jade Dynasty Group Limited** ("Jade Dynasty"/ "the Group") (HKSE code: 970), the emerging leading animations studio in the PRC, announced today that for the year ended 31 March 2007, the Group recorded a turnover of approximately HK\$102,094,000 (2006: approximately HK\$102,214,000). Profit attributable to shareholders amounted to approximately HK\$11,363,000 (2006: approximately HK\$13,538,000), representing a decrease of approximately 19% over last year. Basic earnings per share was HK1.24 cents (2006: HK1.81 cents), dropped by about 46% as compared to the corresponding period last year. In view of this, the Group increased the dividend payment ratio to 34% (2006: 22%) to acknowledge shareholders' support in the past and demonstrate the Group's confidence in and commitment to the future of the Group. The Board has resolved to declare a final dividend of HK0.2 cents per share (2006: a final dividend of HK0.2 cents per share) in addition to the interim dividend of HK0.2 cents per share.

The Group's wholly owned subsidiary, Jade Dynasty Multi-media Limited proposed to acquire 51% issued capital in a PRC's animations production house, Suzhou Hongyang Cartoon Production Company Limited ("Suzhou Hongyang") and the entire interest of its two associates, namely Nanjing Hongying Anmie-cartoon Entertainment Company Limited ("Nanjing Hongying") and Shanghai Sanding Animation Creation Company Limited ("Shanghai Sanding") (collectively called the "Hongying Group") in May 2007. The acquisition will on one hand create synergies between the Hong Kong and PRC teams, it will on another hand enable the Group to launch their own animations titles in form of domestic animations in accordance with the laws, policies and regulations of the PRC. The rich animations portfolio of Hongying Group will also enrich the Group's established comics and animations library.

Mr. Ivan Tong, Chairman of the Group said, "We have made a remarkable progress in optimizing the value chain of our animations production through the acquisition. Following our signature animations project "Shen Bing Kids" and "Jackie Chan Chinese animated series", we will be adding two more animations titles into our portfolio namely "Yamacha'S" and "Xiangqi Master" after completing the acquisition. The two new titles, which have already obtained relevant television broadcasting permits in the PRC from Jiangsu Province Broadcast, Film and TV Bureau, are the self-developed animations titles of Nanjing Hongying and "Yamacha'S" was already released on CCTV's children channel early this year."

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"Shen Bing Kids" project is progressing well during the period under review. The production of the whole 52 episodes has been completed and its contents have been amended in accordance with the comments of the State Administration of Radio, Film and Television ("SARFT"). The Group is optimistic towards obtaining the final approval from the SARFT for broadcasting the whole 52 episodes in the foreseeable future.

Mr. Tong continued, "After "Shen Bing Kids" being premiered on CCTV, followed by other TV stations and derivative products simultaneously being launched, a promising return is expected to bring to the shareholders."

To further strengthen the Group's presence in the PRC animations market and continue the growth of its animations profile, it has acquired 51% interest of Dragon Animation Limited in late 2006 to produce Chinese animated series using the figure of Jackie Chan, the world-famous film star. The pre-production of the series has been undergoing in full speed including storyboard and characters design. The series, with production of the first 26 episodes be completed in 2008, will bring the Group's animations business further to another high following their landmark "Shen Bing Kids" project.

Comics publication and related business continued to contribute steadily to the Group's revenue. Revenue derived from this segment amounted to approximately HK\$90,032,000 (2006: approximately HK\$101,414,000). During the period under review, the Group launched a total of four new home-grown comics. To further enhance competitiveness of this business segment, a sublimated format of printing has been adopted for certain comics books. The book volume was lengthened to over three times longer than existing Hong Kong comics and yet the book was priced 30% cheaper than Japanese comics.

"The undersupply of domestic animations in the PRC will prevail in the next few years. Animations production will continue to be our key growth driver, striving to be the leader of comics and animations industry in the Chinese community," **Mr. Tong** concluded.

About Jade Dynasty Group Limited (HKSE Code: 970)

Jade Dynasty Group Limited is the emerging leading animations studio in the PRC. Its 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 ten 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 overseas animations enterprise cooperating with CCTV. "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.

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