

**Jade Dynasty Announces
Interim Results for the Six Months Ended 30 September 2007
Net Profit Increased 3% to HK\$7,900,000
Proposed Interim Dividend Payout of 0.2 HK Cents Per Share**

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**Significant Milestones Achieved in Animations Development
with the Launch of “Shen Bing Kids”**

(Hong Kong, 17 December 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 six months ended 30 September 2007, the Group recorded a turnover of approximately HK\$55,200,000 (six months ended 30 September 2006: approximately HK\$52,900,000). Net profit increased by approximately 3% to approximately HK\$7,900,000 from HK\$7,700,000 for the same period last year. Basic earnings per share was 0.8 HK cents. Taking into consideration the stable financial condition, the board has proposed to declare an interim dividend of 0.2 HK cents per share (six months ended 30 September 2006: 0.2 HK cents).

The first 26 episodes of the Group's signature animations “Shen Bing Kids” already premiered on China Central Television (“CCTV”) children channel on 4 October 2007 during the Golden Week and finished on 6 November 2007. Its first appearance struck a new high viewing record among programs recently shown at the same time slot on CCTV children channel. Rebroadcast was quickly made from 10 November onwards on the same channel to sustain the fad cultivated by the debut and reinforce the commodity effect. According to audience rating information of CCTV, the audience viewing population of “Shen Bing Kids” was once ranked the 4th among all programs aired on CCTV children channel in the week commencing from 18 November 2007. Since the premiere and rebroadcast of “Shen Bing Kids”, its audio-visual products, animations-derived comics books and derivative products were rolled out in sequence in order to boost the appeal of the series and the sales of the derivative products. In Lunar New Year 2008, “Shen Bing Kids” will be broadcasting on provincial television stations in the PRC, while the second 26 episodes are preliminarily expected to be premiered on CCTV children channel.

Guangzhou Toys & Wonders Limited has been licensed 7 to produce various toys featuring “Shen Bing Kids” characters including robots, role-play puppets and cotton-stuffed dolls to be sold across the PRC. The Group has also assigned Kin Man Garment Factory Limited, a swimwear manufacturer established in 1959, to produce kids swimwear, sandals, towels and swimming accessories bearing “Shen Bing Kids” characters.

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Acquisition of Hongying Group, a PRC's animations production house, was approved in the Special General Meeting on 20 September 2007 and was completed in early November this year. "Yamacha's", one of the original animations title under the animations library of Jade Dynasty's associate Nanjing Hongying, already premiered on CCTV children channel in early 2007. Copyright of broadcasting and derivative products in Asian Pacific of its first 104 episodes was successfully sold to a Taiwanese enterprise, contributing favorable returns to the Group.

Mr. Wan Siu Lun, Chairman of the Group said, "We took great pride in being the first animations enterprise outside the PRC to cooperate 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 ("SARFT") in 2004. Our concerted effort has proved a huge success, giving us confidence in future ventures on animations development. Completion of the acquisition of Hongying Group has also empowered our Group in the PRC market. With the large underproduction of animations in the PRC, we see promising future for our animations business."

Acquired in November 2006 as a landmark project to expand Jade Dynasty presence into the international animations market, "Jackie Chan's Fantasia" has been making great strides. Production team in Hong Kong and the PRC are in full gear to develop the storyboard, hoping to finish the production of the first 26 episodes in 2008.

Comics publication and related business contributed steadily to the Group's revenue. Revenue derived from this segment amounted to approximately HK\$51,000,000 (six months ended 30 September 2006: approximately HK\$51,000,000). The Group launched a new masterpiece "King of Peacock" in May 2007. The new book, which recorded satisfactory sales performance, firstly incorporated visionary and abstract elements.

"We will unceasingly produce new and original comics that cater to broad range of tastes and deliver whole new reading experience. While keeping up the comics business, more energy is centered on animations to pursue business growth. With the popularity of Jackie Chan, we believe 'Jackie Chan's Fantasia' featuring the world-famous movie star will make a good start for our entry into the global market." **Mr. Wan** concluded.

With an established ready-made comics and animations library and rich animations portfolio, the Group hopes the animations sector will remarkably elevate the overall business performance. The Group will also identify and explore investment opportunities in the fast-growing consumer markets in the PRC to broaden the revenue source of the Group.

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

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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 SARFT's issuance of "Comments on Developing Country's Film, Television and Animations Industry" 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 second 26 episodes are preliminarily expected to be premiered on the same channel in Lunar New Year 2008.

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. Upon such, the Group can produce and launch its own home-grown animations titles in form of domestic animations.

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