

Jade Dynasty Announces Partnering With Shanghai People's Fine Arts Publishing House To Launch Animations-derived Comics Books of Animated TV Series "Shen Bing Kids"

(Hong Kong, 22 March 2006) — **Jade Dynasty Group Limited** ("Jade Dynasty"/ "the Group") (HKSE code: 970), the largest and only listed comics publisher in Hong Kong, announced today that the Group has authorized Shanghai People's Fine Arts Publishing House to publish animations-derived comics books of animated TV series "Shen Bing Kids" co-produced with China Central Television ("CCTV") throughout the PRC. The sales of the animations-derived comics books is expected to bring in substantial contribution to Jade Dynasty.

The Group will produce DVD/VCD products and animations-derived comics books as well as license derivative products rights in accordance with the content of "Shen Bing Kids", of which a substantial part of revenue, amounting to approximately 70% of the total project revenue of "Shen Bing Kids", will be expected to derive from the sales, distribution and licensing of animations-derived comics books. Shanghai People's Fine Arts Publishing House will be responsible for the publication of animations-derived comics books "Shen Bing Kids" in the PRC, which has already been approved by the General Administration of Press and Publication of the PRC. A total of 26 volumes of the animations-derived comics books will be published. About 700,000 copies per volume will be expected to be published in the PRC at a retail price of approximately RMB11 per copy. Another 47,500 copies per volume will also be expected to be published and sold in Hong Kong, Taiwan, Singapore etc. at a retail price of HK\$20 per copy. The animations-derived comics books of 13 volumes will be launched before or simultaneously with the broadcast of the first 26 episodes of "Shen Bing Kids". Relevant promotional activities have been kicked-off proactively in more than 40 cities in the PRC.

Mr. Ivan Tong, Chairman of the Group, said, "A series of derivative products will mostly be generated from popular animations. "Shen Bing Kids" is no exception. As a listed company with comics publication as the core business and partnering with renowned and highly-regarded Shanghai People's Fine Arts Publishing House, we are confident that the animations-derived comics books will outperform other derivative products to contribute substantially to the Group. We have conducted detailed and thorough marketing analysis before launching the animations-derived comics books in a bid to boost the sales of it. To grab the business opportunities created from the launch of the animated TV series at its early stage, in addition to the premiums of the animations characters along with the books subscriptions, the animations-derived comics books will either be launched before or concurrently with the broadcast of the animated TV series."

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Copyrights of "Shen Bing Kids" and its derivative products will be jointly owned by Jade Dynasty and CCTV. For the sales and distribution of derivative products, CCTV will be responsible for VCD/DVD products in the PRC market (excluding Hong Kong and Macau) while the Group will be responsible for animations-derived comics books, licensing of animations characters to toys, apparels, premiums, stationery, food and drink manufacturers, broadcasting of "Shen Bing Kids" in other TV stations in and outside the PRC as well as VCD/DVD products outside the PRC. Each party will bear its own cost for the above activities.

"Shen Bing Kids" is CCTV's first animated TV series co-produced with an overseas animations enterprise. The animated TV series is adapted from the Group's home-grown comics titled "The Weapon" and made as a cute version. The first 26 episodes will be broadcasted to 1.3 billion population through CCTV 1 Channel throughout the PRC, including 370 million children audience, which is a significant move of the Group to enter into the children market. Subject to final regulatory procedures, approvals and consents by CCTV and the State Administration of Radio Film and Television and final broadcast scheduling of CCTV, the first 26 episodes of "Shen Bing Kids" are expected to broadcast from 1 May 2006 onwards (i.e. PRC Labour Holidays).

Founded in 1952, Shanghai People's Fine Arts Publishing House is a large-scale and professional fine arts publisher, specializing in the publication of fine arts and photography picture albums, postcards, historical treatise technique books, periodicals, picture-story books, pictures, calendars, life books, tourist guide books and reference books. It is one of the leading fine arts publishers in the PRC with over 16,000 titles and over 6 billion copies in total published since its establishment. It has been awarded over 200 book prizes both at home and abroad. Large picture albums with worldwide reputation include "The Complete Treasures of Chinese Fine Arts", "The Complete Works Of Chinese Ceramics" etc. Popular literature such as "The Romance of Three Kingdoms" is also best-selling and widely popular among readers.

About Jade Dynasty Group Limited (HKSE Code: 970)

Jade Dynasty Group Limited is the largest and only listed comics publisher in Hong Kong. Its local market share in terms of sales of Chinese home-grown comics 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 7 home-grown comics titles on weekly basis and an average of 25 volumes licensed comics titles from Japan on monthly basis. Also, the Group sells its comics titles in 14 countries, which have been translated into 10 languages.

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