

**Jade Dynasty Announces
Authorizing China International Television Corporation
An Exclusive TV Broadcasting and Distribution Rights
of "Shen Bing Kids" to Areas In and Outside the PRC and Production and
Distribution Rights of AV Products To Areas outside the PRC**

(Hong Kong, 10 July 2006)—Jade Dynasty Group Limited ("Jade Dynasty"/ "the Group") (HKSE code: 970), the largest and only listed comics publisher in Hong Kong, announced today it will authorize China International Television Corporation ("CITVC"), a wholly owned subsidiary of China Central Television ("CCTV"), an exclusive TV broadcasting and distribution rights of the animated TV Series "Shen Bing Kids" to areas in (excluding HK, Macau and Taiwan) and outside the PRC (including HK, Macau and Taiwan) as well as the production and distribution rights of AV products such as VCD/DVD outside the PRC.

Following the Joint Investment Production Agreement signed between Jade Dynasty and CCTV on 9 March 2006 including the authorization to CCTV the production and distribution rights of AV Products such as VCD/DVD in the PRC, Jade Dynasty further cooperated with a member of CCTV and entered into two two-year contracts - "TV Program Agency and Distribution Contract" (「電視節目代理發行合同」), with CITVC on 7 July 2006, in which one authorized CITVC an exclusive TV broadcasting and distributing rights together with the production and distribution rights of the AV products such as VCD/DVD of "Shen Bing Kids" to areas outside the PRC including Hong Kong, Macau, Taiwan, Japan, Korea, South-East Asia, United States, Canada, Australia, New Zealand, Europe, South America, Middle-East, Africa and West Asia. After deducting the agency fees for CITVC, Jade Dynasty and CCTV will share out the remaining revenue from the project.

Apart from the above, Jade Dynasty also signed another contract with CITVC regarding an exclusive TV broadcasting and distribution rights in the PRC. Jade Dynasty and CCTV will share out the remaining revenue from the project after deducting the agency fees for CITVC. In addition, Jade Dynasty will gain advertising time slot in return through the authorization. Jade Dynasty and CCTV will share the rest of the income after deducting the distribution fees for CITVC. The afore-mentioned two contracts will be renewed on a yearly basis subject to mutual consent upon the expiry term.

Mr. Ivan Tong, Chairman of the Group, said "I feel very glad to further cooperate with CITVC, a wholly owned subsidiary of CCTV and the largest media group in the PRC with rich experiences and updated overseas market news. Apart from this, the cooperation also goes in line with the principles of the "Go-Out Strategy" set out by the State Administration of Radio Film and Television, assisting the China-made animated products to enter and expand into the international market and establish an influential and powerful Chinese animations brand. Overseas broadcasting arrangement can also

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complement the licensing of other derivative products in overseas market, hoping to bring substantial revenue to the Group. Moreover, through CITVC, the authorization of "Shen Bing Kids" to other TV Stations other than CCTV channels can, on the one hand, bring revenue to the Group from its TV broadcasting and advertising. On the other hand, it also complements the marketing promotion of the licensees of other derivative products in the PRC (including but not limited to toys, stationary, apparels, premiums, food and beverages)."

Apart from the revenue brought by the authorization of the TV broadcasting and distribution rights as well as the sales and distribution of VCD/DVD products in and outside the PRC, the rest of the revenue of the "Shen Bing Kids" project comes from the sales and distribution of the animations-derived comics books and licensing of the animations characters.

"Shen Bing Kids" is CCTV's first animated TV series co-created and 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 in the PRC. Further, it is expected that the post-production of the second 26 episodes of "Shen Bing Kids" will take place in CCTV starting from mid-July 2006.

China International Television Corporation was founded in 1984. It is the global marketing agent for program copyrights owned by CCTV. It is also the exclusive overseas copyright agent for the Chinese TV Program Export Association. CITVC engages in media business as its core and mainly covers program production and distribution, audio and video publishing, advertising services, etc.

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. The Group and CCTV entered into the Joint Investment Production Agreement of Animated TV Series on 9 March 2006 for the co-creation and co-production of an animated TV series titled "Shen Bing Kids". It becomes the first overseas animations enterprise cooperating with CCTV. Subject to final regulatory procedures by the State Administration of Radio Film and Television and final broadcast scheduling of CCTV, the Group has proposed to CCTV the first 26 episodes of "Shen Bing Kids" to be first broadcasted in summer holiday of 2006. Further, the post-production of the second 26 episodes is expected to take place in CCTV starting from mid-July 2006.

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