

Jade Dynasty Announces Annual Results
Net Profit Increased 23%
Proposed Final Dividend Payout of HK0.20 cent Per Share
Breakthrough Development in Animations-Related Projects

(Hong Kong, 18 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 that for the year ended 31 March 2006, the Group recorded a turnover of approximately HK\$102.2 million (2005: approximately HK\$107.3 million). Profit attributable to shareholders gone up approximately 23% to about HK\$13.5 million, increasing from a profit of about HK\$11.0 million last year; Basic earnings per share was HK1.81 cents, up about 14% as compared to the corresponding period last year (2005: HK1.59 cents).

Taking into consideration the satisfactory financial performance, the Board has proposed to declare a dividend of HK0.20 cent per share in addition to the interim dividend of HK0.20 cent per share. The total dividend of HK0.40 cent per share shall amount to approximately HK\$3.4 million of the Group’s profit for the year.

Comics publication and related business continued to be the main source of the Group’s revenue. Revenue derived from comics publication and distribution amounted to approximately HK\$101.4 million. (2005: approximately HK\$106.6 million). During the year under review, the Group published and sold 7 local Chinese comics on a weekly or bi-weekly basis and approximately 25 Japanese comics on a monthly basis. While comics publication remains the core business of Jade Dynasty, animations-related projects are becoming another major area of investment.

During the year under review, the Group entered into the Joint Investment Production Agreement of Animated TV Series (the “Agreement”) on 9 March this year with China Central Television (“CCTV”) for the co-adaptation and co-production of an animated TV series titled “Shen Bing Kids”, which was adapted from the Group’s home-grown comics titled “The Weapon”. The Group has proposed to CCTV the first 26 episodes of “Shen Bing Kids” to be broadcasted in this summer holiday to secure critical mass audiences during the prime period of summer break. After broadcasting the animations through CCTV 1 Channel, “Shen Bing Kids” will be broadcasted in other TV stations in and outside the PRC. VCD/DVD products, animations-derived comics books and derivative products will also be launched, which is expected to generate substantial revenue to the Group.

Mr. Ivan Tong, Chairman of the Group said, “the Group achieved a breakthrough development in diversifying its business into animations-related projects. We are proud to be the first overseas animations enterprise cooperating with CCTV. This demonstrates our leading position in the comics and animations industry in the PRC. The Agreement has not only signified the milestone to the Group’s entering

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into the huge animations market in the PRC, but is also conducive to the Group's business expansion and sustainable development."

The Group authorized Shanghai People's Fine Arts Publishing House to publish animations-derived comics books of "Shen Bing Kids" in early 2006. A total of 26 volumes of the comics books derived from the 52-episode "Shen Bing Kids" will be published and sold widely in the PRC, Hong Kong, Taiwan, Singapore, etc. In addition, the Group commissioned Promotional Partners Worldwide ("PPW") the licensing rights of animations characters to toy, apparel, premium, stationery, food and beverage manufacturers in April 2006. In addition to mainland China, the derivative products of "Shen Bing Kids" will also be sold in South-East Asia, Europe and other overseas markets. Apart from the sale and distribution of comics books and licensing animations characters, the Group has further cooperated with China International Television Corporation ("CITVC"), the wholly owned subsidiary of CCTV, authorizing it the exclusive TV broadcasting and distribution rights to areas in and outside the PRC as well as the production and distribution rights of AV products such as VCD/DVD of the animated TV Series outside the PRC earlier this month.

"A series of derivative products will mostly be generated from popular animations. "Shen Bing Kids" is no exception. We are confident that the formation of strategic alliances with Shanghai People's Fine Arts Publishing House, PPW and CITVC, which are the renowned and highly-regarded leaders in the relevant industries, will contribute substantially to the Group. The business developments undertaken by each of them are in good progress." **Mr. Tong** added.

It is anticipated that the undersupply of domestic animations in the PRC shall prevail in the coming years. The State Council of the People's Republic of China has recently announced "Comments on Developing Country's Animations Industry" to further encourage the development of the animations industry. In view of the favorable conditions for animations development in the PRC, the Group will continue to explore its potential to the fullest into China's animations industry and assist the China-made animated products to enter and expand into the international market and establish an influential and powerful Chinese animations brand.

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-adaptation 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 July 2006.

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