

Jade Dynasty Announces Raised HK\$73.4 Million Via Placing Existing Shares For Further Development in the Animations Production Business

(Hong Kong, 31 May 2007) — The largest and only listed comics publisher and animations producer in Hong Kong, **Jade Dynasty Group Limited** ("Jade Dynasty"/ "the Group") (HKSE code: 970) announced today that it raised net proceeds of approximately HK\$73.4 million through placing of existing shares and subscription of new shares. The Group's substantial shareholder Super Empire Investments Limited placed up to 100,000,000 existing shares at a price of HK\$0.76 per placing share to more than six places including Galaxy China Opportunities Fund and subscribed the same number of new shares. UOB Kay Hian (Hong Kong) Limited is the placing agent.

The placing shares represent approximately 10.63% of the existing issued share capital of 940,394,450 shares as at the date of the announcement or approximately 9.61% of the issued share capital of the Group as enlarged by the allotment and issue of the subscription shares.

The aggregate shareholdings of the major shareholder Super Empire Investments Limited, its associates and parties acting in concert with them will decrease from approximately 35.26% to approximately 31.87% after the placing and the subscription.

Mr. Ivan Tong, Chairman of the Group said, "Considering the strong growth of the animations industry in the PRC, the placing and the subscription enhances our capital base for sustainable animations development in the Chinese community. It also increases our shareholders' base in particular for corporate or institutional investors."

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 and Japanese translated 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 9 home-grown comics titles on a weekly, bi-weekly or monthly basis and an average of 25 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. The production of all the 52 episodes has been completed and its contents have been

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amended in accordance with the comments of the State Administration of Radio, Film and Television ("SARFT"). The Group is waiting for the final regulatory procedures and approval from the SARFT for broadcasting the 52 episodes, after which is subject to final broadcasting scheduling of CCTV. 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 framework agreement in May 2007 to propose the acquisition of the controlling interest of Hongying Group. Upon completion of the acquisition, the Group can produce and launch their own animations titles in form of domestic animations.

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