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Jade Dynasty Group Limited
玉皇朝集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 970)

(1) SIGNING OF SP AGREEMENT IN RESPECT OF THE PROPOSED VERY SUBSTANTIAL ACQUISITION IN RELATION TO ACQUISITION OF INTEREST IN THE ACQUIREES; AND (2) SIGNING OF AGREEMENTS IN RESPECT OF THE CONTINUING CONNECTED TRANSACTIONS

Financial adviser to the Company

AmCap
Ample Capital Limited
豐盛融資有限公司

The Directors are pleased to announce that (i) JD Car as the purchaser; (ii) Sparkle Roll as the Vendor; and (iii) Mr. Qi as the guarantor to the Vendor had entered into the SP Agreement on 22 February 2008. The SP Agreement supersedes all previous agreements or arrangements (including the Framework Agreement) between JD Car, the Vendor and Mr. Qi concerning the Acquisition.

Furthermore, the Directors are pleased to announce that the relevant parties have entered into (i) the RMO Agreement; (ii) the BJBG Agency Agreement; and (iii) the Beijing YST Agency Agreement on 22 February 2008.

* *for identification purpose only*

As stated in the Second Announcement, a circular containing, among other things, details of the SP Agreement, the transactions contemplated thereunder, including the Acquisition and the Convertible Note, certain financial information as required under the Listing Rules and the notice of the SGM will be despatched to the Shareholders on or before 20 March 2008.

Reference is made to the Company's announcements dated 23 January 2008 (the "First Announcement") and 13 February 2008 (the "Second Announcement"). Unless the context requires otherwise, terms used herein shall have the same meanings as those defined in the First Announcement.

SIGNING OF SP AGREEMENT

As stated in the First Announcement, JD Car entered into the Framework Agreement with the Vendor and Mr. Qi on 9 January 2008. Pursuant to the Framework Agreement, JD Car and the Vendor have agreed to enter into further negotiation in good faith with the view to consummating a more comprehensive SP Agreement within 45 days from the date of the Framework Agreement (that is, on or before 23 February 2008).

In that connection, the Directors are pleased to announce that (i) JD Car as purchaser; (ii) Sparkle Roll as Vendor; and (iii) Mr. Qi as the guarantor to the Vendor have entered into the SP Agreement on 22 February 2008. The SP Agreement supersedes all previous agreements or arrangements (including the Framework Agreement) between JD Car, the Vendor and Mr. Qi concerning the Acquisition.

The Directors confirm that, save as disclosed below, all material terms of the SP Agreement including the Contractual Arrangements are in substance identical to those set out under the Framework Agreement as disclosed in the First Announcement. Please refer to the First Announcement for further details regarding the Acquisition and the transactions contemplated under the Framework Agreement.

Change in the term of the Convertible Note

As stated in the First Announcement, the Company is to issue the Convertible Note with a principal amount of HK$264,000,000 as part of the consideration payable under the Acquisition. The Convertible Note shall bear interest at 4% p.a. payable semi-annually and is convertible into Shares at a conversion price of HK$0.22 per Share (subject to adjustment). As disclosed in the First Announcement, the maturity of the Convertible Note shall be the day falling 4 years from the date of issue of the Convertible Note. Following further negotiations between the Group and the Vendor, it was agreed that the term of the Convertible Note shall be shortened to 2 years and such change is reflected in the SP Agreement. As disclosed in the First Announcement, the Company is required to redeem the outstanding principal amount of the Convertible Note upon its maturity and has no right to redeem the Convertible Note early. The Directors consider that the shortened term of the Convertible Note is beneficial to the Company and the Shareholders as a whole as it will lessen the interest expenses to be borne by the Group.

SIGNING OF AGREEMENTS IN RESPECT OF THE CONTINUING CONNECTED TRANSACTIONS

As stated in the First Announcement, the transactions contemplated under (i) the Showroom Rental Agreement; (ii) the RMO Agreement; (iii) the BJBG Agency Agreement; (iv) the Beijing YST Agency Agreement; and (v) the Yuk Long Agreement will become continuing connected transactions of the Company upon Completion. It is further stated in the First Announcement that the Showroom Rental Agreement and the Yuk Long Agreement were entered into on 28 December 2007 and 30 November 2006 respectively.

The Directors are pleased to announce that the relevant parties have entered into (i) the RMO Agreement; (ii) the BJBG Agency Agreement; and (iii) the Beijing YST Agency Agreement on 22 February 2008.

The Directors confirm that all of the material terms (including the relevant annual caps) of (i) the RMO Agreement; (ii) the BJBG Agency Agreement; and (iii) the Beijing YST Agency Agreement are in substance identical to those disclosed in the First Announcement.

GENERAL

As stated in the Second Announcement, a circular containing, among other things, details of the SP Agreement, the transactions contemplated thereunder, including the Acquisition and the Convertible Note, certain financial information as required under the Listing Rules and the notice of the SGM will be despatched to the Shareholders on or before 20 March 2008.

By Order of the Board
Jade Dynasty Group Limited
Tong Kai Lap
Deputy Chairman

Hong Kong, 22 February 2008

As at the date of this announcement, the Company has three executive directors, three non-executive directors and three independent non-executive directors. The executive directors are Mr. Wan Siu Lun, Mr. Wong Chun Keung and Mr. Kwong Chi Tak. The non-executive directors are Mr. Tong Kai Lap, Mr. Ko Chi Keung and Mr. Zheng Hao Jiang and the independent non-executive directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Tsui Pui Hung.