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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)

CONTINUING CONNECTED TRANSACTION: SERVICE AGREEMENT WITH MR. WONG

On 9 April 2008, the Company entered into the Service Agreement with Mr. Wong for a term commenced from 1 April 2008 and ending on 31 March 2009 for the provision of his service as a comic and animated cartoon creative writer. Under the Service Agreement, subject to a Cap of HK$6,500,000, Mr. Wong is entitled to a monthly salary of HK$388,000 together with a bonus calculated based on the net profit of the comic and animated cartoon division of the Group for the year ending 31 March 2009.

Mr. Wong is the sole shareholder of Super Empire Investments Limited ("**Super Empire**"), a substantial shareholder of the Company and is, therefore, an associate of Super Empire (within the meaning of the Listing Rules). Accordingly, Mr. Wong is a connected person (with the meaning of the Listing Rules) of the Company.

The Service Agreement constitutes a continuing connected transaction for the Company and is only subject to the reporting and announcement requirements pursuant to Rules 14A.37 to 14A.40 and 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements. Appropriate disclosure of the Service Agreement will be made in the Company's published annual report and accounts for the year ending 31 March 2009.

Reference is made to the announcement of Jade Dynasty Group Limited ("**Company**", together with its subsidiaries, the "**Group**") dated 3 April 2007 ("**Announcement**"). As disclosed in the Announcement, the service agreement ("**Previous Agreement**") between Mr. Wong Chun Loong ("**Mr. Wong**") and the Company, for the provision of his services as a comic and animated cartoon creative writer for a term from 1 April 2007 to 31 March 2008 constituted a continuing connected transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited **("Listing Rules")**.

** for identification purpose only*

The board of directors ("**Directors**") of the Company announced that on 9 April 2008, the Company entered into a new service agreement ("**Service Agreement**") with Mr. Wong, detailed terms of which are set out below:

The service

Pursuant to the Service Agreement, the Company has appointed Mr. Wong, for a term commenced from 1 April 2008 and ending on 31 March 2009. The duties and responsibilities of Mr. Wong shall include ("**Services**"):

- to act as a creative writer for the weekly, bi-weekly of any other comic titles of the Group;
- to design the characters and story of the animated cartoon of the Group;
- to provide creative idea for the comic and animated cartoon related products of the Group; and
- to assist the promotion of the Group's products to the public.

Service fee

Pursuant to the Service Agreement, Mr. Wong is principally entitled to a monthly salary of HK$388,000 which would be settled at the each month end by internal resources, together with a bonus calculated based on the net profit of the comic and animated cartoon division of the Group for the year ending 31 March 2009. The bonus calculation is arrived at 20% of net profit before tax of animated cartoon division and would be settled at the end of the financial year by internal resources. However, the total emoluments to be paid to Mr. Wong under the Service Agreement and in relation to the Services for the year ending 31 March 2009 shall be subject to the cap of HK$6,500,000 ("**Cap**") (for the years ended 31 March 2007 and 31 March 2008: HK$6,500,000).

For the two years ended 31 March 2008, the total annual emoluments paid by the Group to Mr. Wong for his services as a comic and animated cartoon creative writer pursuant to the Announcement amounted to HK$4,668,000 (comprising basic salary, MPF and bonus) for the year ended 31 March 2008 and HK$4,716,000 (comprising basic salary, MPF and bonus) for the year ended 31 March 2007, which were within the Cap.

Basis of the service fee and reasons for the Service Agreement

The terms of the Service Agreement were determined after arm's length negotiations between the Group and Mr. Wong and the service fee payable to Mr. Wong is determined with reference to the duties and responsibilities of Mr. Wong.

The Cap was determined between the Company and Mr. Wong after taking into account the historical figures for the bonus paid to Mr. Wong under the Previous Agreement and the likely growth of the Group's business for the year ending 31 March 2009.

The Group is principally engaged in the publication of comics books and multimedia development.

Mr. Wong is a renowned writer of comic and animated cartoon in Hong Kong and has over 40 years of experience in the industry and is considered as a legendary figure in Hong Kong comics industry. Mr. Wong started to serve the Group since April 2004. As such, the Directors (including the independent non-executive Directors) and the Company's Remuneration Committee are of the view that the terms of the Service Agreement (including the Annual Cap) are normal commercial terms and is in the ordinary and usual course of business and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

CONNECTED TRANSACTION

Mr. Wong is the sole shareholder of Super Empire Investments Limited ("**Super Empire**"), a substantial shareholder of the Company and is, therefore, an associate of Super Empire (within the meaning of the Listing Rules). As at the date of Service Agreement, Super Empire holds approximately 25.9% issued share of the Company. Accordingly, Mr. Wong is a connected person (with the meaning of the Listing Rules) of the Company.

The Service Agreement constitutes a continuing connected transaction for the Company and is only subject to the reporting and announcement requirements pursuant to Rules 14A.37 to 14A.40 and 14A.45 to 14A.47 of Listing Rules and is exempt from the independent shareholders' approval requirements. Appropriate disclosure of the Service Agreement will be made in the Company's published annual report and accounts for the year ending 31 March 2009.

By Order of the Board
Jade Dynasty Group Limited
Chan Ka Kit
Company Secretary

Hong Kong, 11 April 2008

As at the date of this announcement, 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. Zheng Hao Jiang and Mr. Ko Chi Keung. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Tsui Pui Hung.