Jade Dynasty Group Limited

玉 皇 朝 集 團 有 限 公 司 *

(*Incorporated in Bermuda with limited liability*)

(Stock Code: 970)

MONTHLY ANNOUNCEMENT IN RESPECT OF THE CONVERTIBLE NOTE

Reference is made to the Company's Announcement and Circular. Completion of the Proposed Acquisition involving issue of the Consideration Shares and Convertible Notes took place on 26 June 2008. As per the conditions of the listing approval granted by the Stock Exchange in respect of the Conversion Shares, the Company is required to disclose by way of monthly announcements on or before the fifth business day following the end of each calendar month to inform the Shareholders and investors of dilution in the shareholding in the Company as a result of the exercise of the conversion rights attached to the Convertible Note during the previous month.

The Directors would like to report that no conversion of the Convertible Note had been made during July 2008.

Reference is made to the circular of Jade Dynasty Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 20 March 2008 (the "**Circular**") in relation to, amongst others, the Acquisition and the issue of the 4% Convertible Note, the announcement dated 7 July 2008 in relation to monthly announcement in respect of the Convertible Note and the announcement dated 26 June 2008 (the "**Announcement**") in relation to Completion of Acquisition. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

As stated in the Announcement, Completion of the Acquisition has taken place and the Company has issued the Convertible Note to the Vendor on 26 June 2008.

Monthly disclosure in relation to conversion of the Convertible Note

As per the conditions of the listing approval granted by the Stock Exchange in respect of the Conversion Shares, the Company is required to disclose by way of monthly announcements on or before the fifth business day following the end of each calendar month to inform the Shareholders and investors of dilution in the shareholding in the Company as a result of the exercise of the conversion rights attached to the Convertible Note during the previous month.

The Directors would like to report that:

(i) no conversion of the Convertible Note had been made during July 2008;
(ii) the amount of the outstanding Convertible Note as at 31 July 2008 was HK$264,000,000;
(iii) the number of Shares issued pursuant to other transactions during July 2008, including new Shares issued pursuant to exercise of options under the Company's share option scheme is nil;
(iv) the total number of issued shares of the Company as at 1 and 31 July 2008 was 1,486,152,850; and
(v) the total issued share capital of the Company as at 1 and 31 July 2008 was HK$2,972,305.70.

Update on conversion of the Convertible Note after July 2008

On 1 August 2008, a conversion notice has been received from the holder of the Convertible Note, Sparkle Roll Holdings Limited ("Sparkle Roll"), in connection with the conversion of HK$14,300,000 Convertible Note into 65,000,000 new Shares, representing approximately 4.19% of the enlarged issued share capital of the Company, which has been allotted and issued by the Company to Sparkle Roll on 7 August 2008. Upon the aforementioned conversion, Sparkle Roll is interested in 465,000,000 Shares, representing approximately 29.98% of the Company's issued share capital of 1,551,152,850 Shares as at the date of this announcement.

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

Hong Kong, 7 August 2008

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

** for identification purpose only*