Jade Dynasty Group Limited
玉皇朝集團有限公司*

(*Incorporated in Bermuda with limited liability*)
(**Stock Code: 970**)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES – SIGNING OF SP AGREEMENT AND LICENSE AGREEMENT

The Board is pleased to announce that on 8 August 2008, Sparkle Roll Watch & Jewelry, an indirect wholly-owned subsidiary of the Company, entered into the SP Agreement and License Agreement with RM (Asia). Pursuant to the SP Agreement, Sparkle Roll Watch & Jewelry has agreed to purchase, and RM (Asia) has agreed to sell, the entire registered capital of the Target Company at a cash consideration of HK$5,000,000. Under the License Agreement, RM (Asia) has granted an exclusive and non-transferrable license to Sparkle Roll Watch & Jewelry to use the IP in the PRC at a one time royalty in the amount of HK$6,000,000. To the best of the Directors' knowledge, information and belief, and having made reasonable enquiries, RM (Asia), Mr. Tan and their associates are Independent Third Parties.

As the conclusion of the SP Agreement and the License Agreement are significant developments under the Group's expansion plan for stepping into the luxury goods market in the PRC, the Directors consider that it is appropriate to make this announcement to enable the Shareholders and the public to appraise the position of the Group pursuant to Rule 13.09(1) of the Listing Rules.

THE SP AGREEMENT

Date

8 August 2008

Parties

(a) RM (Asia) as the vendor;

(b) Sparkle Roll Watch & Jewelry (an indirect wholly-owned subsidiary of the Company) as the purchaser; and

(c) Mr. Tan, the guarantor.

To the best of the Directors' knowledge, information and belief, and having made reasonable enquiries, RM (Asia), Mr. Tan and their associates are Independent Third Parties.

The Acquisition

Under the terms of the SP Agreement, Sparkle Roll Watch & Jewelry has agreed to purchase, and RM (Asia) has agreed to sell, the entire registered capital of the Target Company, at a cash consideration of HK$5,000,000, which shall be paid as to (i) a sum of HK$1,000,000 upon the signing of the SP Agreement and (ii) the remaining balance of HK$4,000,000 upon received and checked the watches owned by the Target Company. As at the date before signing of the SP Agreement, the Target Company was wholly-owned by RM (Asia).

Completion

Pursuant to the SP Agreement, RM (Asia) shall use its best effort to procure within 30 days from the date of the SP Agreement:

(i) the approval from the relevant authority in the PRC in respect of the transfer of equity interest in the Target Company; and
(ii) change of the shareholding registration and director registration of the Target Company at the appropriate business registration authority in the PRC.

Completion took place upon the signing of the SP Agreement.

THE LICENSE AGREEMENT

Date

8 August 2008

Parties

(a) RM (Asia) as the licensor; and

(b) Sparkle Roll Watch & Jewelry (an indirect wholly-owned subsidiary of the Company) as the licensee.

Terms of the License Agreement

Under the License Agreement, RM (Asia) has granted an exclusive and non-transferrable license to Sparkle Roll Watch & Jewelry to use the IP in the PRC for a term commencing from the date hereof and ending on 8 July 2013 unless otherwise mutually agreed and which has an option to renew for a period of 36 months at terms to be mutually agreed to by both parties. In consideration for the rights granted under the License Agreement, Sparkle Roll Watch & Jewelry shall pay RM (Asia) a one time royalty in the amount of HK$6,000,000 which has been paid upon the signing of the License Agreement.

REASONS FOR AND BENEFITS OF THE SP AGREEMENT AND LICENSE AGREEMENT

The Group is principally engaged in (i) the publication of comic books and multimedia development and (ii) the dealership of luxury vehicles in the PRC. As stated in the Company's announcement dated 26 June 2008, the acquisition of the car dealerships in the PRC has completed. As a continuation of the Group's strategy of diversifying its business into the luxury goods market in the PRC, the Directors have identified the dealership of the "RICHARD MILLE" brand of luxury watches in the PRC as an ideal business opportunity. On 9 July 2008, Sparkle Roll Watch & Jewelry has entered into the Dealership Contract with the supplier of the "RICHARD MILLE" branded watches (an Independent Third Party), setting out the principle terms of the appointment of Sparkle Roll Watch & Jewelry as the exclusive dealer of the "RICHARD MILLE" branded watches in the PRC for a term commencing from the date hereof and ending on 8 July 2013 unless otherwise mutually agreed and which has an option to renew for a period of 36 months at terms to be mutually agreed to by both parties. The Target Company was established in the PRC and is principally engaged in the retail, wholesale and import/export of watches in the PRC. It currently operates a retail shop for "RICHARD MILLE" branded watches in Shanghai, the PRC and holds the lease of the said retail shop. In order to expedite the Group's expansion into the luxury goods market in the PRC, the Directors consider that it is desirous to purchase the Target Company such that the Group can immediately take over the operations of the Target Company and start developing the plan in the business in selling the luxury watches in PRC. In order for the Group to use the IP in conducting the business in the dealership of "RICHARD MILLE" watches, Sparkle Roll Watch & Jewelry and RM (Asia) have also entered into the License Agreement under which the Group was granted the right to use the IP in the PRC. Upon Completion taking place, the Directors intend to commence dealership operations of the "RICHARD MILLE" branded watches in other cities of the PRC starting from Beijing.

Having taken the above into consideration, the Directors consider that the Acquisition was entered into on normal commercial terms, is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL

As the SP Agreement and the License Agreement are significant developments in the Group's expansion into the luxury goods market in the PRC, the Directors consider that it is appropriate to make this announcement to enable the Shareholders and the public to appraise the position of the Group pursuant to Rule 13.09(1) of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

"Acquisition"	the acquisition of the entire registered capital in the Target Company by Sparkle Roll Watch & Jewelry from RM (Asia) pursuant to the terms of the SP Agreement

"associate(s)"	has the meaning given to it under the Listing Rules
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Company"	Jade Dynasty Group Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
"Completion"	completion of the Acquisition pursuant to the SP Agreement
"Dealership Contract"	the dealership contracted dated 9 July 2008 entered into by Sparkle Roll Watch & Jewelry and the supplier of the "RICHARD MILLE" watches
"Director(s)"	the director(s) of the Company
"Group"	collectively, the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"HK$"	the lawful currency of Hong Kong
"Independent Third Party/(ies)"	a party/(ies) who is/are independent of and is/are not connected with any of the Directors, chief executives or substantial Shareholders of the Company and any of its subsidiaries or any of their respective associates
"IP"	the "RICHARD MILLE" trademark, brand, logos and designs, whether or not registered
"License Agreement"	the agreement dated 8 August 2008 entered into between Sparkle Roll Watch & Jewelry and RM (Asia) in relation to the grant of the exclusive and non-transferable license to use the IP in the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan for the purposes of this announcement

"RM (Asia)"	Richard Mille (Asia) Limited, a company incorporated in Hong Kong
"Share(s)"	share(s) of HK$0.002 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"SP Agreement"	the sale and purchase agreement dated 8 August 2008 entered into between Sparkle Roll Watch & Jewelry and RM (Asia) in relation to the Acquisition
"Sparkle Roll Watch & Jewelry"	Sparkle Roll Watch & Jewelry Limited, an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	李察米爾(上海)商貿有限公司 (Richard Mille (Shanghai) Trading Company Limited)*, a company established in the PRC and wholly-owned by RM (Asia) prior to Completion

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

Hong Kong, 11 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*