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 on 1 August 2008, a conversion notice was 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.

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 26 June 2008 (the "**First Announcement**") in relation to Completion of Acquisition and the monthly announcement in respect of the Convertible Note dated 7 August 2008 (the "**Second Announcement**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

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

** for identification purpose only*

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.

As disclosed in the Second Announcement, on 1 August 2008, a conversion notice was 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.

The Directors would like to report that:

(i) 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 had been made during August 2008;

(ii) the amount of the outstanding Convertible Note as at 31 August 2008 was HK$249,700,000;

(iii) the number of Shares issued pursuant to other transactions during August 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 August 2008 were 1,486,152,850 and 1,551,152,850 respectively; and

(v) the total issued share capital of the Company as at 1 and 31 August 2008 were HK$2,972,305.70 and HK$3,102,305.70 respectively.

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

Hong Kong, 5 September 2008

As at the date of this announcement, the Company has four executive Directors and three independent non-executive Directors. The executive Directors are Mr. Tong Kai Lap, Mr. Zheng Hao Jiang, Mr. Wan Siu Lun and Mr. Wong Chun Keung. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Lee Kang Bor, Thomas.