



Annual General Meeting of Shareholders

Fiscal Year Ended December 25, 2006



新龍亞洲集團有限公司
NEW DRAGON ASIA CORPORATION

AMEX: NWD

MAY 2007

Safe Harbor Statement



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations or beliefs, including, but not limited to, its success with acquisitions, anticipated synergies, and overseas expansion. For this purpose, statements that are not statements of historical fact may be deemed to be forward-looking statements. The company cautions that these statements by their nature involve risks and uncertainties, and actual results may differ materially depending on a variety of important factors, including, among others, the impact of competitive products and pricing; changes in consumer preferences and tastes or perceptions; effectiveness of advertising or market-spending programs; changes in laws and regulations; fluctuations in costs of production, foreign exchange and interest rates; and other factors as may be discussed in the Company's reports as periodically filed with the Securities and Exchange Commission.



Leading Chinese Manufacturer of Quality Consumer Goods



2006 sales \$53.4 million

Legacy Products

Instant Noodles



- § China's fourth largest instant noodle manufacturer - \$5 bn market
- § Planned production capacity of nearly 1.1 billion units of instant noodles per year; total domestic instant noodle market represents 26 billion servings annually
- § Key export product

Flour Products



- § One of the top manufacturers of flour related products in China's wheat belt
- § Strong brand, access to supply and distribution
- § Aggregate production capacity of 195,000 tons of flour products per year

New Products

Soybean Products



- Expanding position in soybean derived products
- Attractive gross margins and growth potential

Ginger Powder



- Only producer of ginger powder in China
- Margins in the range of 300%



Recent Trading Statistics



Florida registered corporation

US GAAP dollar reporting

Listed American Stock Exchange (AMEX: NWD)

§ Approximate Market Cap	\$76 M
§ Recent Share Price*	\$1.42
§ 52 Week Range*	\$1.20-2.02
§ Average Daily Volume (3m)*	174,000

* As of 05/11/2007



Maintaining a Focused Strategy for Growth



Regional and Product Growth

Leverage strong distribution network and recognized brand name to expand sales of all products in regional markets; Build strategic alliances with multinational food groups to enhance product range and capitalize on our China distribution network

Acquisition and Consolidation

Acquire quality formerly state-owned assets with synergistic potential to strengthen regional positions, add new growth products and increase benefits of vertical integration

Exports

Export noodles and soybean products to other parts of Asia and Europe following HACCP certification in June 2006



Four Corners Regional Strategy Drives Regional Penetration and Product Sales



Focus on Rural Regions

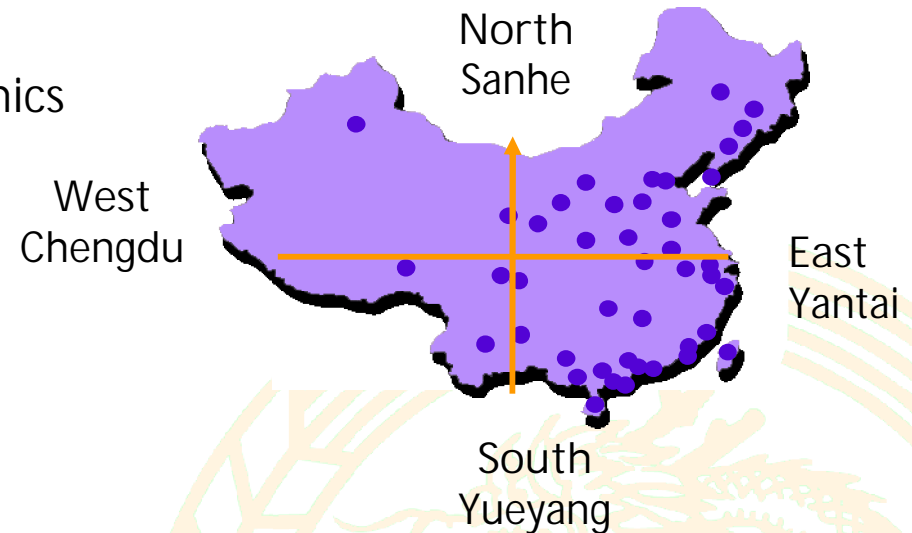
- § 1 billion people
- § Strong NWD positions
- § Favorable competitive and cost dynamics

Optimize Regional Production

- § Raw materials access
- § Product range
- § Capacity
- § Transportation costs

Leverage Strong Distribution Network

- § Brands / product lines
- § Salesforce / distributors
- § Distribution network

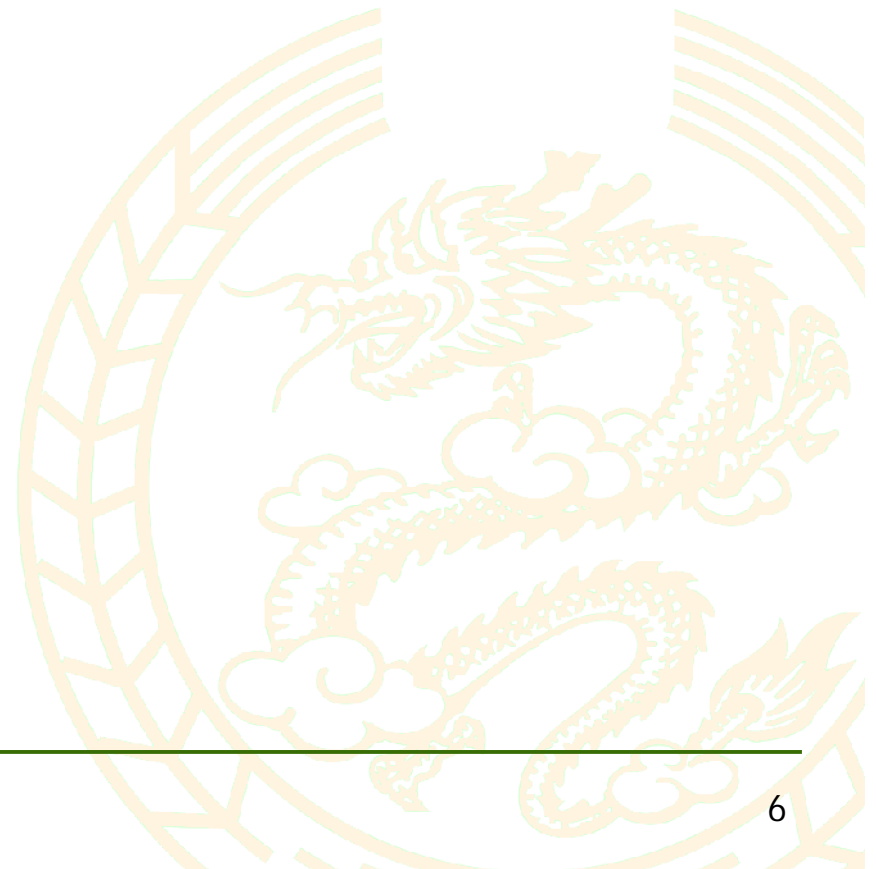


Consolidation Opportunities: Acquire Quality State-owned Assets in Strategically Targeted Areas



Acquisition Criteria:

- § Strategic fit – synergistic potential
 - Geographic market position
 - Product lines
 - Production capacity
- § Margin improvement potential
 - Efficiency and productivity
 - Vertical integration leverage
 - Tax benefits
- § Attractively-priced assets (book value)



New High-Margin Products Gaining Traction in China and Abroad



Soybean Products Soybean Powder and Soybean Protein Powder

- § Production Capacity of 4,500 tons
- § Key top and bottom line performance driver
- § Primarily sold to food and beverage manufacturers
- § Order for 100 tons of soybean protein powder received from major global beverage manufacturer and existing customer

Ginger Powder

- § Commenced production in early 2007
- § Sale price of approximately \$14,000 per ton
- § Margins of nearly 300%



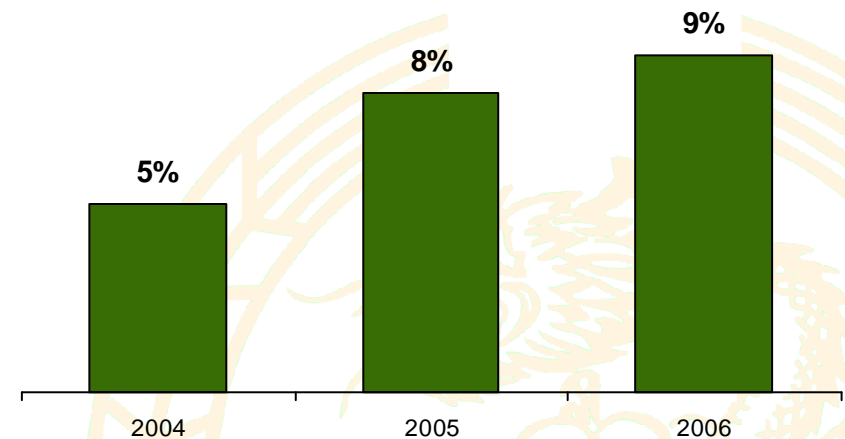
Exports: Profitable Growth of Instant Noodle and Soybean Product Exports



- § Targeting strong growth of exports
 - Roughly 9% of revenues in 2006
- § Higher margins and favorable tax benefits
- § Rising exports to Asian countries
- § Began exports to Europe upon receipt of HACCP certification (June 2006)
 - Now exporting to 13 countries
- § Acquisition of NWD's sole export distributor
- § Capacity expansions to support export growth

Export Growth

Instant noodle export sales as % of total net revenues

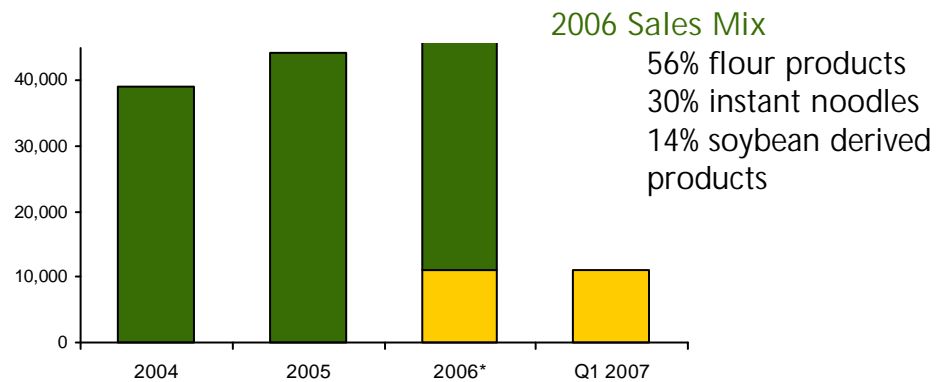


Financial Performance Driven by Strategic Execution



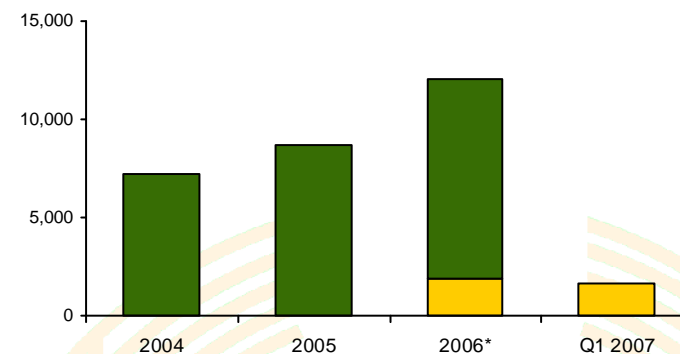
Net Sales

(\$ Thousands)



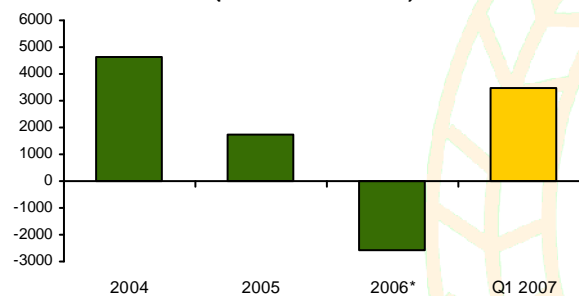
EBITDA

(\$ Thousands)



Net Income

(\$ Thousands)



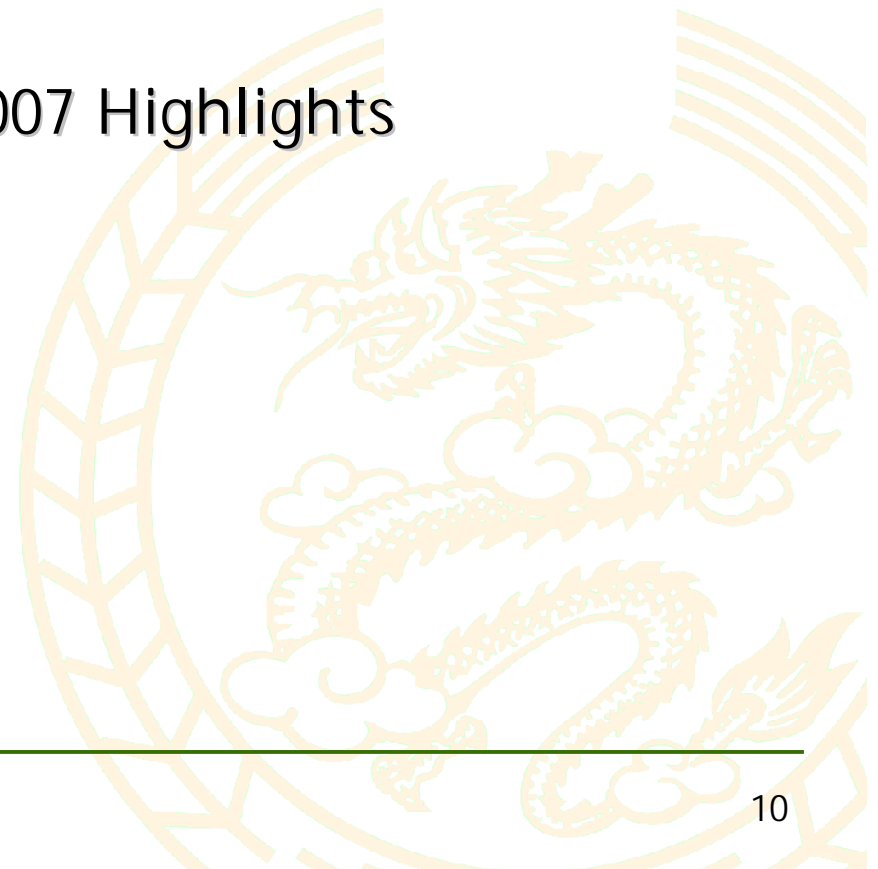
*Yellow portion represents Q106 results

**Results impacted by non-cash stock-based compensation cost of \$9.1 million in fiscal 2006





First Quarter Fiscal 2007 Highlights

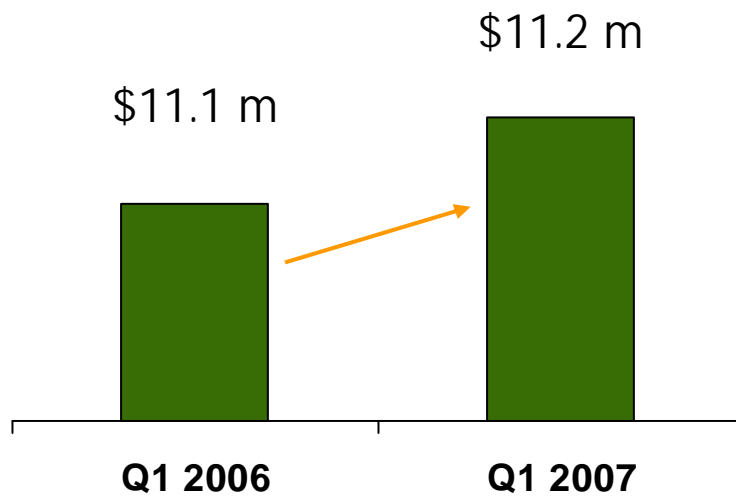


Q1 2007: Steady Sales Performance



Net Revenue

for 3 Months Ended March 25



§ Sales mix

- 54% flour products
- 34% instant noodles
- 12% soybean derived products

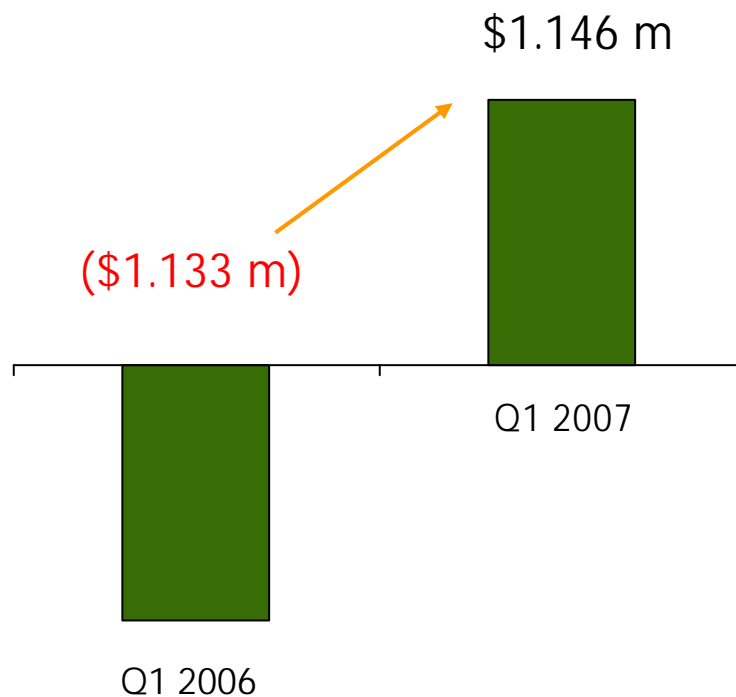
§ Increased contribution of acquired soybean products business



Q1 2007: Solid Operational Results



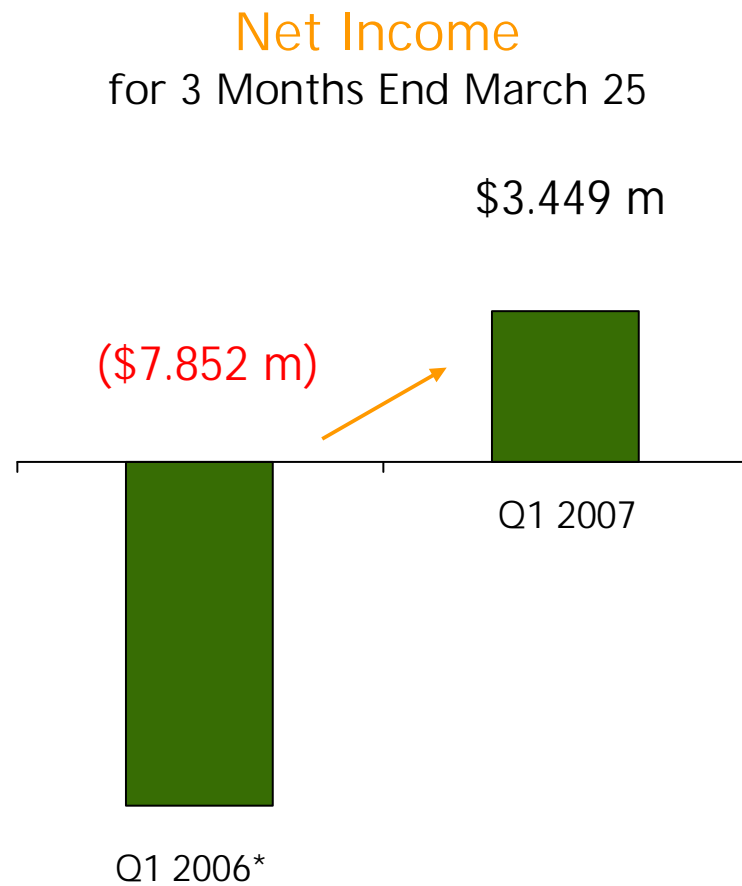
Income from Operations for 3 Months End March 25



- § Gross profit of \$1.9 million
 - 17% gross margin
- § No stock-based compensation expense was incurred in the quarter ended March 25, 2007
- § \$2.3 million non-cash charge for stock-based compensation resulted in 1Q 2006 loss from operations of \$1.133 million



Q1 2007: Return to Net Income



§ Gain of \$2.5 million from changes in the fair value of derivative instruments in 2007 vs. a loss of \$6.5 million from changes in the fair value of derivative instruments in 2006

*Q1 2006 Net loss attributable to \$2.3 million charge for stock-based compensation and \$6.5 million charge arising from changes in fair value of derivative instruments



Q1 2007: Cash Flow Statement Highlights



Summary Consolidated Statement of Cash Flows at March 25:

\$ thousands	2007	2006
Net cash provided by operating activities	(903)	1,938
Net cash used in investing activities	(50)	(2,523)
Net cash from financing activities	159	1,076
Net increase in cash and cash equivalents	(515)	557
Cash and equivalents at period end	9,761	14,889



Strong Financial Position



Summary Balance Sheet at:

	March 25, 2007 (Unaudited)	(\$ Thousands)	December 25, 2006
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,761		\$ 10,276
Accounts receivable, net	8,739		8,835
Deposits and prepayments, net	4,291		6,586
Inventories, net	14,582		11,598
Due from related companies	867		857
Total current assets	<u>38,240</u>		<u>38,152</u>
Property, machinery and equipment, net	24,204		24,248
Land use rights, net	7,016		6,983
Goodwill	125		125
Total assets	<u>\$ 69,585</u>		<u>\$ 69,508</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 3,532		\$ 2,723
Other payables and accruals	2,903		3,255
Taxes payable	1,358		3,453
Embedded derivatives, at fair value	8,601		11,138
Due to related companies	--		28
Total current liabilities	<u>16,394</u>		<u>20,597</u>
Due to New Dragon Asia Food Limited	598		317
Due to joint venture partners	29		102
Total liabilities	<u>17,021</u>		<u>21,016</u>
Minority interests	279		276
Series A and B Redeemable Convertible Preferred Stock, \$0.0001 par value:			
Authorized shares - 5,000,000			
Issued and outstanding - 10,162 shares at March 25, 2007 and December 25, 2006	4,581		4,204
Commitments			
Stockholders' equity:			
Class A Common Stock, \$0.0001 par value:			
Authorized shares - 102,000,000			
Issued and outstanding - 53,698,499 at March 25, 2007 and 53,614,723 at December 25, 2006	5		5
Class B Common Stock, \$0.0001 par value:			
Authorized shares - 2,000,000			
Issued and outstanding - none	--		--
Additional paid-in capital	28,555		28,411
Retained earnings	15,561		12,668
Accumulated other comprehensive income	3,583		2,928
Total stockholders' equity	<u>47,704</u>		<u>44,012</u>
Total liabilities and stockholders' equity	<u>\$ 69,585</u>		<u>\$ 69,508</u>



Experienced Management Team



Heng Jing Lu, Chairman

- Former Chief of Longkou Oil & Grain Bureau
- 30+ years' food industry and management experience



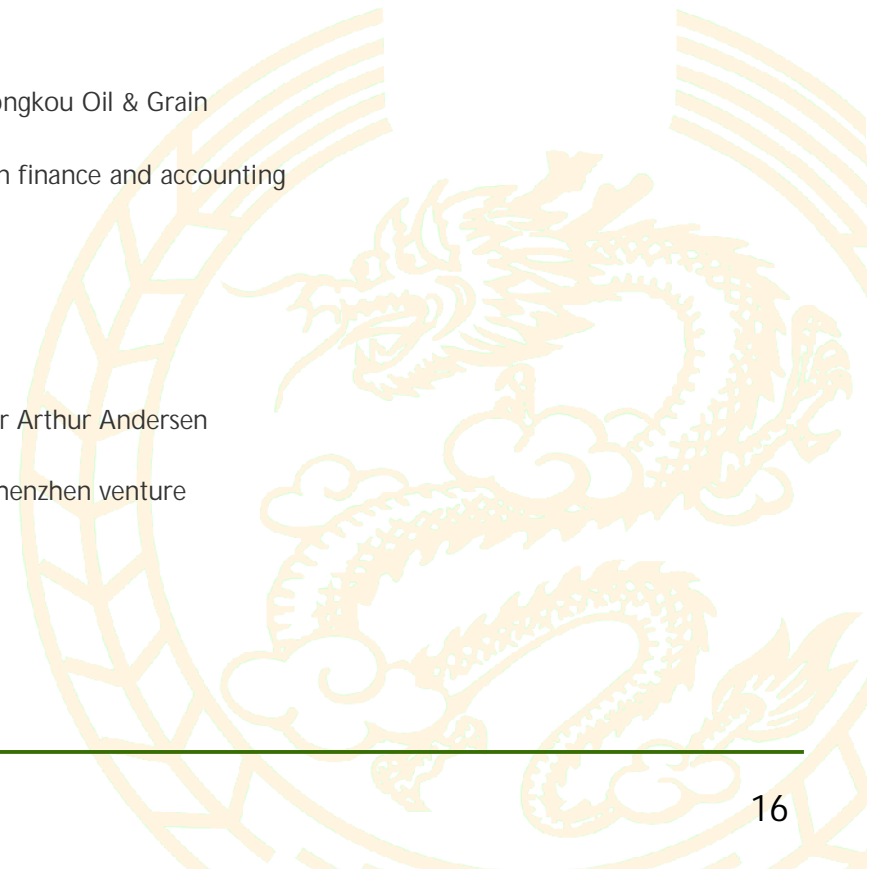
Li Xia Wang, CEO

- Previously deputy GM of Longkou Oil & Grain Bureau
- Over 20 years' experience in finance and accounting



Peter Mak, CFO

- Previously Managing Partner Arthur Andersen Southern China
- Founder of Hong Kong & Shenzhen venture capital funds



Capitalizing on China's Rising Food Consumption and Opportunities for Expansion Abroad



- § Well-established company with strong brand identity
- § Extensive distribution network serving growing food markets
- § Opportunities to expand product offerings, regional penetration and export potential
- § Benefits of acquisition program targeting high quality, state-owned enterprises
- § Dedicated, experienced management team



Professional Team



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Loeb & Loeb LLP
New York, New York

Independent Public Accountant
Grobstein, Horwath & Company LLP
Sherman Oaks, California

Investor Relations
Taylor Rafferty
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Transfer Agent and Registrar
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