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**NATIONAL ARTS HOLDINGS LIMITED**

**國藝控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 8228)

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the year ended 31 December 2010 as compared to a profit for the year ended 31 December 2009.

**Shareholders and potential investors of the Company should exercise caution when dealing in shares of the Company.**

This announcement is made by National Arts Holdings Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

Based on the information currently available, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company is expected to record a substantial loss for the year ended 31 December 2010 as compared to a profit for the year ended 31 December 2009. The Board considers that the loss is primarily due to, among other things, the business transformation of the Company in 2010.

The Company is still in the process of finalizing the unaudited final results of the Group for the year ended 31 December 2010. The information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited management accounts of the Group and the information currently available to them. It remains subject to audit by the Company’s independent auditors. Detailed financial information of the Group will be disclosed in the final results announcement for the year ended 31 December 2010, which is expected to be announced on 25 March 2010.

**Shareholders and potential investors of the Company should exercise caution when dealing in shares of the Company.**

For and on behalf of the Board  
**National Arts Holdings Limited**  
**Tang Yat Ming Edward**  
*Chief Executive Officer*

Hong Kong, 18 March 2011

*\* For identification purpose only*

*As at the date of this announcement, the Board of the Company comprises eight directors, of which three are executive directors, namely Miss Law Po Yee, Mr. Tang Yat Ming Edward and Mr. Li Sin Hung Maxim; the non-executive director, namely Mr. Sin Kwok Lam and Mr. Lam Kwok Hing Wilfred; and the remaining are independent non-executive directors, namely Mr. Chan Tin Lup Trevor, Mr. Chui Chi Yun Robert and Dr Wong Lung Tak Patrick.*

*This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 (seven) days from the date of its posting.