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NATIONAL ARTS HOLDINGS LIMITED

國藝控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8228)

POSITIVE PROFIT ALERT

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

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a significant profit for the year ended 31 December 2011 as compared to a loss for the year ended 31 December 2010.

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 and its subsidiaries (the “**Group**”) is expected to record a significant profit for the year ended 31 December 2011 as compared to a loss for the year ended 31 December 2010. The Board considers that the significant profit in the financial results of the Company for the year ended 31 December 2011 was mainly attributable to (i) the gain on change in fair value of investment property arising from revaluation of a film studio; and (ii) the overseas licensing income of film products.

The Company is still in the process of finalizing the unaudited final results of the Group for the year ended 31 December 2011. 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 2011, which is expected to be announced on or about 26 March 2012.

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

* For identification purpose only

For and on behalf of the Board
National Arts Holdings Limited
Chan Man Hung
Company Secretary

Hong Kong, 21 March 2012

As at the date of this announcement, the Directors are as follow:

Chairman and Non-executive Director:

Mr. Sin Kwok Lam

Vice Chairperson, Executive Director and Chief Executive Officer:

Miss Law Po Yee

Vice Chairman and Non-executive Director:

Mr. Lam Kwok Hing Wilfred

Executive Directors:

Mr. Chow Kai Weng

Miss Sin Ho Yee

Non-executive Director:

Mr. Li Sin Hung Maxim

Independent Non-executive Directors:

Mr. Chan Tin Lup, Trevor

Mr. Chui Chi Yun, Robert

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 GEM Listing Rules 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the Company’s website at www.nationalarts.hk/announcements.