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mediachina
CORPORATION LIMITED

華 億 傳 媒 有 限 公 司

MEDIA CHINA CORPORATION LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 419)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is likely to incur a significant loss for the financial year ended 31 December 2010, which was primarily attributable to non-cash impairment provision on goodwill.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by Media China Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on information currently available, the Board estimates that the Group is likely to incur a significant loss for the financial year ended 31 December 2010, which was primarily attributable to non-cash impairment provision on goodwill. The net book value of goodwill as at 30 June 2010 as shown in the Company’s 2010 interim report was approximately HK\$501,300,000, which was solely allocated to the cash-generating unit (the “**CGU**”) of the Group’s TV advertising business. The Board believes that, based on information currently available, a substantial portion of such goodwill shall be impaired as a consequence of various factors, among which, the revised future cash flow projection of the Group’s TV advertising business and the potential increase in the discount rate applicable in the determination of the recoverable amount of the CGU of the Group’s TV advertising business.

The Board believes that the financial position of the Group remains solid, and the said impairment provision on goodwill does not affect the Group's cash flow. The Group will make adjustments to its business strategy and continue to look out for potential business opportunities to improve its performance.

The Company is still in the process of finalising the results of the Group for the financial year ended 31 December 2010. The information contained in this announcement is only a preliminary assessment by the management of the Company and is not based on any figures or information which have been audited or reviewed by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
Hau Wai Man, Raymond
Company Secretary

Hong Kong, 11 February 2011

As at the date of this announcement, the Board comprises Mr. YUEN Hoi Po (Chairman and Executive Director), Mr. Hugo SHONG (Vice Chairman and Non-executive Director), Mr. ZHANG Changsheng (Executive Director), Mr. WANG Hong (Executive Director), Mr. TIAN Suning (Non-executive Director), Mr. JIANG Jianning, Professor WEI Xin, Dr. WONG Yau Kar, David, JP and Mr. YUEN Kin (each an Independent Non-executive Director).