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Media Asia Group Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8075)

PROFIT WARNING

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

The Board wishes to inform the Shareholders and potential investors that the Group's unaudited consolidated results attributable to owners of the parent for the six months ended 31 January 2012 are expected to record a significant loss as compared to the audited consolidated profit attributable to owners of the parent of approximately HK\$985,000 for the four months ended 31 July 2011.

The above loss was mainly due to the recognition of a fair value loss on the forward contract in relation to the Second CN. This fair value loss was recognised in compliance with the currently applicable accounting standards. The Board wishes to state that any fair value gain or loss on the forward contract in relation the Second CN is non-cash in nature, will not have any impact on the cashflow of the Group and may fluctuate significantly according to market conditions and the trading price of the Shares. Accordingly, the Group may incur fair value gains or losses in the forthcoming financial periods.

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

PROFIT WARNING

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules. References are made to the particulars of the Second CN set out in the Company's annual report dated 27 October 2011, announcement dated 9 June 2011 and circular dated 21 April 2011.

In compliance with the currently applicable accounting standards adopted by the Group, the forward contract in relation to the Second CN is required to be recognised as a derivative financial asset/liability and the related gain or loss due to changes in fair value is required to be recognised in the consolidated income statement of the Group. The independent professional valuer retained by the Group has preliminarily assessed the fair value of the forward contract in relation to the Second CN as at 31 January 2012 and the change in the related fair value from 31 July 2011 to 31 January 2012 with reference to the adjusted weighted average market price of the Shares and other market conditions. It is expected that there will be a significant fair value loss on the forward contract to be recognised by the Group in its unaudited consolidated results for the six months ended 31 January 2012. Taking into account the aforesaid fair value loss on the forward contract, it is expected the Group would record a significant unaudited consolidated loss for the six months ended 31 January 2012 attributable to owners of the parent as compared to the audited consolidated profit attributable to owners of the parent of approximately HK\$985,000 for the four months ended 31 July 2011.

However, the Board wishes to draw the attention of the Shareholders and potential investors to the fact that any fair value gain or loss on the forward contract in relation to the Second CN is non-cash in nature, will not have any impact on the cashflow of the Group and may fluctuate significantly according to market conditions and the trading price of the Shares. Accordingly, the Group may incur fair value gains or losses in the forthcoming financial periods.

As the Company is still in the process of finalising its unaudited consolidated financial statements for the six months ended 31 January 2012, the information contained in this announcement is based on information that is currently available and a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 31 January 2012. Shareholders and potential investors who are interested in exact information and financial figures should refer to the results announcement and the financial report of the Company for the six months ended 31 January 2012, which are expected to be published in mid-March 2012.

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms used herein shall have the following respective meanings:

“Board”	board of Directors
“Company”	Media Asia Group Holdings Limited , a company incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability, the issued Shares of which are listed and traded on the GEM (Stock Code: 8075)
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Second CN”	3 years to maturity, zero coupon convertible notes in the principal amount of HK\$224,873,937 to be issued by the Company on 9 June 2012, the particulars of such convertible notes are set out in the Company’s annual report dated 27 October 2011, announcement dated 9 June 2011 and circular dated 21 April 2011
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Media Asia Group Holdings Limited
Lui Siu Tsuen, Richard
Executive Director

Hong Kong, 5 March 2012

As at the date of this announcement, the Board comprises eight executive Directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yu Feng, Mr. Choi Chiu Fai, Stanley, Mr. Tang Jun (Chief Executive Officer), Mr. Lui Siu Tsuen, Richard, Mr. Chan Chi Kwong, Ms. Etsuko Hoshiyama and Mr. Chan Chi Ming, Alvin; and three independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Zhang Xi and Mr. Ng Chi Ho, Dennis.

This announcement, for which 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 “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication and on the website of the Company at <http://www.maghl.com>.