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**森源鈦礦控股有限公司\***

**XIAN YUEN TITANIUM RESOURCES HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 353)**

**PROFIT WARNING**

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

The Board announces that the results of the Group for the financial year ended 31 December 2008 are expected to record a substantial increase in loss when compared to the corresponding period in 2007. Such loss is mainly attributable to the impairment loss recognized in respect of goodwill.

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

The announcement is made by Xian Yuen Titanium Resources Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09(1) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “**Board**”) announces that the results of the Group for the financial year ended 31 December 2008 are expected to record a substantial increase in loss when compared to the corresponding period in 2007. Such loss is mainly attributable to the impairment loss recognized in respect of goodwill.

The Company is still in the process of finalizing the Group’s annual results for the year ended 31 December 2008. The information contained in this announcement is only based on the information currently available to the Company and is not based on any figures or information that has been audited or reviewed by the Company’s auditors. Details financial information and performance of the Group will be disclosed as and when the final results for the year ended 31 December 2008 are announced.

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

By order of the board  
**Xian Yuen Titanium Resources Holdings Limited**  
**Law Fei Shing**  
*Chief Executive Officer and Executive Director*

Hong Kong, 2 April 2009

*As at the date of this announcement, the executive Directors are Mr. Tam Owen (chairman), Mr. Law Fei Shing (chief executive officer), Mr. Fok Po Tin and Chan Sung Wai; the non-executive Director is Mr. Lam Shing Tsun Edmond and the independent non-executive Directors are Mr. Lum Pak Sum, Mr. Sun Tak Keung and Mr. Chow Pui Fung.*

*\* For identification purpose only*