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XIAN YUEN TITANIUM RESOURCES HOLDINGS LIMITED
森源鈦礦控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 353)

PROFIT WARNING

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

The Board announces that the results of the Group for the financial year ended 31 December 2009 are expected to decline as compared with those for the year ended 31 December 2008. The loss is mainly derived from the impairment loss recognition of goodwill.

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

This 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 2009 are expected to decline as compared with those for the year ended 31 December 2008. The loss is mainly derived from the impairment loss recognition of goodwill.

The Company is still in the process of finalizing the Group’s annual results for the year ended 31 December 2009. The information contained in this announcement is only based on a preliminary assessment by the management of the Company and is not based on any figures or information that has been audited or reviewed by the Company’s auditors. Details of the financial information and performance of the Group will be disclosed as and when the final results for the year ended 31 December 2009 are announced.

* For identification purpose only

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, 1 April 2010

As at the date of this announcement, the executive Directors are Mr. Law Fei Shing (chief executive officer), Mr. Chan Sung Wai, Mr. Chan Kwok Wing, Mr. Wang Donghai and Mr. Zhao Guoqiang; the non-executive Director is Mr. Zhang Zhenming; and the independent non-executive Directors are Mr. Lum Pak Sum, Mr. Sun Tak Keung and Mr. Chow Pui Fung.