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## **CHINA ASSETS (HOLDINGS) LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 170)**

### **PROFIT WARNING**

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

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

**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 China Assets (Holdings) Limited (the “Company”, 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 Company is an investment holding company which principally invests in unlisted and listed securities of companies operating in the People’s Republic of China. The Board of Directors of the Company (the “Board”) wishes to inform its shareholders and potential investors that the Group is expected to record a loss for the year ended 31 December 2011, as compared to a profit for the year 2010. The expected losses are mainly attributable to (i) unrealised fair value losses on financial assets at fair value through profit or loss; (ii) expected share of losses of associates.

The information contained in this announcement is based on the preliminary review on the management accounts of the Group which have not been audited by the Company’s auditor.

**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  
**Lo Yuen Yat**  
*Chairman*

Hong Kong, 11 January 2012

*The directors of the Company as at the date of this announcement are Mr. Lo Yuen Yat, Mr. Chan Suit Khown and Ms. Lao Yuan Yuan as executive directors, Mr. Jiang Wei, Mr. Yeung Wai Kin and Mr. Zhao Yu Qiao as non-executive directors, Mr. Fan Jia Yan, Mr. Wu Ming Yu and Dr. David William Maguire as independent non-executive directors.*