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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 of the Listing Rules.

The Board wishes to inform its shareholders and potential investors that it is expected that the financial results of the Company for the year ended 31 December 2008 are adversely affected by the global financial uncertainty and economic slowdown.

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”) pursuant to Rule 13.09 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 its shareholders and potential investors that it is expected that the financial results of the Company for the year ended 31 December 2008 are adversely affected by the global financial uncertainty and economic slowdown.

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. Based on preliminary review on the management accounts, the Company is expected to record losses for the year ended 31 December 2008, as compared to a profit for the year of 2007. The expected losses are mainly attributable to (i) impairment losses on available-for-sale financial assets; (ii) impairment losses on investments in associates; and (iii) unrealized loss on fair value changes on financial assets through profit and loss.

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

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

Lao Yuan Yi

Chairman

Hong Kong, 11 February 2009

The directors of the Company as at the date of this announcement are Mr. Lao Yuan Yi, Mr. Xu Xiao Feng 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.