

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



XIWANG SUGAR HOLDINGS COMPANY LIMITED

西王糖業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2088)

PROFIT WARNING

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

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the Group's unaudited management accounts for the eleven months ended 30 November 2012 and information currently available to the Board, the Group is expected to record a substantial decrease in profit or even a loss for the year ending 31 December 2012 as compared to a profit for the year ended 31 December 2011.

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

This announcement is made 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 ("**Board**") of directors ("**Directors**") of Xiwang Sugar Holdings Company Limited (the "**Company**") (and together with its subsidiaries, the "**Group**") wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial decrease in profit or even a loss for the year ending 31 December 2012 as compared to a profit for the year ended 31 December 2011.

To the best of the Directors' knowledge, the deteriorated financial results were mainly attributable to the continual rise in the cost of corn, which was the major production cost of the Group. Moreover, the uncertainties in the global and domestic economic environments and the macro-economic measures imposed by the Chinese government in particular those against real estate speculation have led to decline in the growth of demand for many industries such as food and beverage, and construction etc. Under this situation, the selling prices of the Group's major products such as starch sugars and sodium gluconate have been lower and the prices of raw materials have been higher as compared to those of previous year, and therefore the profit margins of the Group's major products are lower as compared to those of previous year.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited management accounts of the Group for the eleven months ended 30 November 2012 and information currently available and the same has not been reviewed or discussed with the auditors of the Company. Also, the Group has not yet taken into account the effect resulting from the proposed acquisition (as detailed in the Company's circular dated 11 December 2012) should it be completed by 31 December 2012. Actual results for the Group may be different from what is disclosed in this announcement. Further details on the financial results will be disclosed when the Group publishes its annual results for the twelve months ending 31 December 2012 which is expected to be around the end of March 2013.

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

By Order of the Board
Xiawang Sugar Holdings Company Limited
Wang Yong
Chairman

Hong Kong, 19 December 2012

As at the date of this announcement, the Board comprises the following Directors:

Executive directors:

Mr. WANG Yong
Mr. WANG Di
Mr. WANG Fangming
Dr. LI Wei
Mr. HAN Zhong

Independent non-executive directors:

Mr. SHI Wei Chen
Mr. SHEN Chi
Mr. WONG Kai Ming

Non-executive director:

Mr. SUN Xinhua

* For identification purpose only