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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 Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated 19 December 2012 on profit warning. 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 twelve months ended 31 December 2012 and information currently available to the Board, the Group is expected to record a loss for the year ended 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 by Xiwang Sugar Holdings Company Limited (the "Company", together with its subsidiaries, the "**Group**") pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571) (the "**SFO**") and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Reference is made to the announcement of on profit warning in which it is stated that the Group is expected to record a substantial decrease in profit or even a loss for the year ended 31 December 2012 as compared to a profit recorded in the year ended 31 December 2011 (the "**First Profit Warning Announcement**").

In December 2012, the Company completed its acquisition of a property development business in the PRC, and the Group's business segments have then comprised corn processing and property development.

The board (“**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that despite the property development segment of the Group is expected to contribute a profit to the Group for the year ended 31 December 2012, the Group is expected to record a loss for the year ended 31 December 2012 as compared to a profit recorded in the year ended 31 December 2011. To the best of the Directors’ knowledge, the deteriorated financial results were mainly attributable to the reasons as mentioned in the First Profit Warning Announcement. In the fourth quarter, although the cost of corn (major raw material) remained stable, the selling prices of the Group’s major corn products such as crystalline glucose, crystalline fructose and sodium gluconate continued to fall, particularly in November and December 2012. This further contributed to the overall lower profit margin of the Group for the year ended 31 December 2012 as compared to that of the previous year.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2012 and information currently available, which have neither been confirmed nor audited by the auditors of the Company. Details of the audited annual results of the Group for the year ended 31 December 2012 are expected to be announced in late 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 March 2013

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*