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XIWANG PROPERTY HOLDINGS COMPANY LIMITED

西王置業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2088)

**PROFIT WARNING, PROPERTY DEVELOPMENT BUSINESS
AND
RESUMPTION OF TRADING**

PROFIT WARNING

This profit warning announcement is made by the Company pursuant to Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

Based on the preliminary assessment by the Board with reference to (1) the Group's unaudited management account for the year ended 31 December 2013, which has neither been confirmed nor audited nor reviewed by the auditors of the Company; and (2) information currently available to the Board, it is expected that although the property development business of the Group is expected to contribute a profit to the Group for the year ended 31 December 2013, the Group would record a substantial loss for the year ended 31 December 2013 which is expected to be more than the audited loss of RMB 18 million for the year ended 31 December 2012.

The expected substantial loss for the year ended 31 December 2013 was mainly caused by a number of factors set out in the body of this announcement. These factors will no longer affect the financial results of the Group after the year ended 31 December 2013 due to the discontinued corn processing business and the full repayment of the Acquisition Promissory Note.

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

PROPERTY DEVELOPMENT BUSINESS

After completion of the disposal of the corn processing business in June 2013, the Group has commenced the Jimo Project, a major property development project in Jimo City of the Shandong Province. The Jimo Project mainly involves development of a multi-function zone which includes a station square. As at the date of this announcement, the preliminary demolition and resettlement work of the Jimo Project is being carried out. Subject to the grant of governmental approvals and the obtaining of relevant land use rights of project sites, the construction work of the resettlement zone and the independent development zone are expected to be commenced around June 2014 and the third quarter of 2014 respectively. Details of the status of the Jimo Project and other property development projects will be set out in the annual report of the Company for the year ended 31 December 2013.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been halted from 9:00 a.m. on 22 January 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares from 9:00 a.m. on 23 January 2014.

PROFIT WARNING

This profit warning announcement is made by Xiwang Property 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 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) .

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 business of the Group is expected to contribute a profit to the Group for the year ended 31 December 2013, it is expected that the Group would record a substantial loss for year ended 31 December 2013 which is expected to be more than the audited loss of approximately RMB 18 million for the year ended 31 December 2012. To the best of the Directors’ knowledge, the loss was mainly caused by (a) the recognition of non-recurring exchange loss and direct expenses associated with the disposal of the corn processing business (a discontinued business) which was completed in late June of 2013 as set out in the 2013 interim report of the Group; (b) squeeze of gross profit margin of major products of the corn processing business (a discontinued business) of the Group for the six months ended 30 June 2013; and (c) the recognition of interest expenses and amortization cost of the promissory note issued to Xiwang Investment Company Limited, the controlling shareholder of the Company, for the acquisition of property development business in December 2012 (the “**Acquisition Promissory Note**”). Since the Group has discontinued the corn processing business and the Acquisition Promissory Note has been fully repaid, the abovementioned factors will no longer affect the financial results of the Group after the year ended 31 December 2013.

The information contained in this profit warning announcement is only based on the preliminary assessment by the Board with reference to (1) the unaudited management accounts of the Group for the year ended 31 December 2013, which has neither been confirmed nor audited nor reviewed by the auditors of the Company; and (2) information currently available to the Board. Details of the audited annual results of the Group for the year ended 31 December 2013 are expected to be announced in late March 2014.

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

PROPERTY DEVELOPMENT BUSINESS

After completion of the disposal of the corn processing business in June 2013, the property development business became the only principal business of the Group. Since then, the Group has commenced a major property redevelopment project in Jimo City of the Shandong Province (the “**Jimo Project**”). The Jimo Project mainly involves development of a multi-function zone which includes a station square. As at the date of this announcement, the preliminary demolition and resettlement work of the Jimo Project is being carried out. Subject to the grant of governmental approvals and the obtaining of relevant land use rights of project sites, the construction work of the resettlement zone and the independent development zone are expected to be commenced around June 2014 and the third quarter of 2014 respectively. Details of the status of the Jimo Project and other property development projects will be set out in the annual report of the Company for the year ended 31 December 2013.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares (the “**Shares**”) of the Company has been halted from 9:00 a.m. on 22 January 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares from 9:00 a.m. on 23 January 2014.

By Order of the Board
Xiwang Property Holdings Company Limited
WANG Di
Chairman

Hong Kong, 22 January 2014

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

Executive Directors:

Mr. WANG Chuan Wu
Mr. ZHOU Xiang Lin
Mr. CHENG Gang

Independent Non-executive Directors:

Mr. WONG Kai Ming
Mr. WANG An
Mr. WANG Shu Jie

Non-executive Directors:

Mr. WANG Di
Mr. WANG Yong
Mr. SUN Xihu

* *For identification purpose only*