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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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

The board (the “**Board**”) of directors (the “**Directors**”) of Xiwang Sugar Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) prepared under the Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the six months ended 30 June 2013 (the “**Period**”), together with the comparative figures, as follows. The consolidated results are unaudited, but have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2013	2012
		RMB'000	RMB'000
	Note	Unaudited	Unaudited Restated
Continuing operations			
Turnover	2	57,470	—
Cost of goods sold	3	(47,951)	—
Gross profit		9,519	—
Other income, net		18	—
Selling and marketing costs	3	(677)	—
Administrative expenses	3	(10,808)	(4,553)
Operating Loss		(1,948)	(4,553)
Finance costs, net	4	(118,735)	5,814
(Loss)/profit before income tax		(120,683)	1,261
Income tax expense	5	(1,517)	—
(Loss)/profit for the period from continuing operations		(122,200)	1,261
Discontinued operations			
(Loss)/Profit for the period from discontinued operations	15	(37,459)	1,754
Other comprehensive income for the period, net of tax		—	—
Total comprehensive (loss)/income for the period		(159,659)	3,015

		Six months ended 30 June	
		2013	2012
		RMB'000	RMB'000
	Note	Unaudited	Unaudited
			Restated
(Loss)/Profit attributable to:			
Equity holders of the Company arisen from:			
Continuing operations		(122,184)	1,261
Discontinued operations		(37,459)	1,754
		(159,643)	3,015
 Minority interest arisen from:			
Continuing operations		(16)	—
Discontinued operations		—	—
		(16)	—
		(159,659)	3,015
 (Loss)/earnings per ordinary share from continuing and discontinued operations attributable to equity holders of the Company during the period (expressed in RMB per share)			
 Basic (loss)/earnings per share			
From continuing operations	6(a)	(0.6694)	0.0013
From discontinued operations	6(a)	(0.0371)	0.0017
From (loss)/profit for the period	6(a)	(0.7065)	0.0030
 Diluted (loss)/earnings per share			
From continuing operations	6(b)	(0.6694)	0.0010
From discontinued operations	6(b)	(0.0371)	0.0013
From (loss)/profit for the period	6(b)	(0.7065)	0.0023
 Dividends			
	7	1,157,738	—

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2013 RMB'000 Unaudited	31 December 2012 RMB'000 Audited
	Note		
Assets			
Non-current assets			
Property, plant and equipment	8	1,800	2,641,718
Goodwill		180,405	180,405
Land use rights		–	268,518
Deferred income tax assets		–	6,587
		<u>182,205</u>	<u>3,097,228</u>
Current assets			
Inventories		–	714,343
Completed properties for sale		36,134	27,973
Properties under development		447,767	460,656
Promissory notes receivable	9	1,342,958	–
Trade and other receivables	10	228,549	1,115,419
Prepaid income taxes		–	586
Amounts due from related parties		–	144,002
Restricted cash		1,153	287,358
Cash and cash equivalents		452,143	591,690
		<u>2,508,704</u>	<u>3,342,027</u>
Total assets		<u>2,690,909</u>	<u>6,439,255</u>
Equity			
Attributable to equity holders of the Company			
Share capital	11		
– Ordinary shares		102,107	102,086
– Convertible preference shares		73,565	73,586
Share premium	11	616	1,121,704
Other reserves			
– Proposed final dividend		–	–
– Others	12	(408,793)	991,438
Retained earnings		910,222	524,012
		<u>677,717</u>	<u>2,812,826</u>

		30 June 2013 RMB'000 Unaudited	31 December 2012 RMB'000 Audited
	Note		
Minority interest	13	<u>5,984</u>	<u>—</u>
Total equity		<u>683,701</u>	<u>2,812,826</u>
Liabilities			
Non-current liabilities			
Promissory note payable	4	<u>—</u>	<u>217,155</u>
Deferred tax liabilities		<u>118,083</u>	<u>119,742</u>
		<u>118,083</u>	<u>336,897</u>
Current liabilities			
Dividend payable	7	<u>1,157,738</u>	<u>—</u>
Trade and other payables	14	<u>248,795</u>	<u>1,030,766</u>
Current income tax liabilities		<u>452</u>	<u>—</u>
Amounts due to related parties		<u>420,328</u>	<u>336,672</u>
Borrowings		<u>61,812</u>	<u>1,922,094</u>
		<u>1,889,125</u>	<u>3,289,532</u>
Total liabilities		<u>2,007,208</u>	<u>3,626,429</u>
Total equity and liabilities		<u>2,690,909</u>	<u>6,439,255</u>
Net current assets		<u>619,579</u>	<u>52,495</u>
Total assets less current liabilities		<u>801,784</u>	<u>3,149,723</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.1 GENERAL INFORMATION

The Group is principally engaged in property development in the People's Republic of China (the “**PRC**”).

The Company is a limited liability company incorporated in Bermuda on 21 February 2005. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 9 December 2005.

The English names of the PRC companies referred to in the condensed consolidated financial statements represent management's translation of the Chinese names of these companies as these companies have not adopted formal English names.

These unaudited condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. These unaudited condensed consolidated financial statements have been approved for issue by the Board on 21 August 2013.

1.2 KEY EVENT

On 29 June 2013, the Group disposed the corn processing business, through the sale of the entire issued share capital of Master Team International Limited, the holding company of the companies engaging in the corn processing business in the PRC, and assignment of the loans owed by each of these companies to the Group, to Xiwang Investment Company Limited (“**Xiwang Investment**”) for the consideration of RMB 661,000,000 and RMB 1,435,000,000 respectively (the “**Disposal**”). A loss of RMB 818,344,000 was directly recognised in other reserves according to the applicable accounting standards as a result of the Disposal.

1.3 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The accounting policies and method of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2012.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Group's audited 2012 annual financial statements, which have been prepared in accordance with HKFRSs.

1.4 ACCOUNTING POLICIES

The following new and amended standards and interpretations are effective for the periods commencing on or after 1 January 2013:

HKFRS 10	“Consolidated financial statements”
HKAS 27 (revised 2011)	“Separate financial statements”
HKFRS 11	“Joint arrangements”
HKAS 28 (revised 2011)	“Associates and joint ventures”
HKFRS 12	“Disclosure of interests in other entities”
HKFRS 13	“Fair value measurements”
HKAS 19 (Amendment)	“Employee benefits”
HKFRS 1 (Amendment)	“Government loans”
HKFRS 7 (Amendment)	“Financial instruments: Disclosures – Offsetting financial assets and financial liabilities”
HK(IFRIC) – Int 20	“Stripping costs in the production phase of a surface mine”
Amendment to HKFRS 1	“First time adoption of IFRS”
Amendment to HKAS 1	“Presentation of financial statements”
Amendment to HKAS 16	“Property, plant and equipment”
Amendment to HKAS 32	“Financial instruments: Presentation”
Amendment to HKAS 34	“Interim financial reporting”

The adoption of such standards is not expected to have any significant effect on the results or financial positions of the Group.

2 SEGMENT INFORMATION

Management has determined the operating segments based on the Group’s internal reporting.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax.

The unaudited segment results for the six months ended 30 June 2013 are as follows:

	Note	Continuing operations – Property Development RMB'000	Unallocated RMB'000	Total continuing operations RMB'000	Total discontinued operations RMB'000	The Group RMB'000
Gross segment sales		57,470	–	57,470	2,844,248	2,901,718
Inter-segment sales		–	–	–	–	–
Sales from external customers		57,470	–	57,470	2,844,248	2,901,718
Operating profit/(loss)		7,450	(9,398)	(1,948)	11,073	9,125
Finance costs – net	4	(97,136)	(21,599)	(118,735)	(47,356)	(166,091)
Loss before income tax		(89,686)	(30,997)	(120,683)	(36,283)	(156,966)
Income tax expense	5	(1,517)	–	(1,517)	(1,176)	(2,693)
Loss for the Period		<u>(91,203)</u>	<u>(30,997)</u>	<u>(122,200)</u>	<u>(37,459)</u>	<u>(159,659)</u>

The unaudited and restated segment results for the six months ended 30 June 2012 are as follows:

	Note	Continuing operations – Property Development RMB'000	Unallocated RMB'000	Total continuing operations RMB'000	Total discontinued operations RMB'000	The Group RMB'000
Gross segment sales		–	–	–	2,833,291	2,833,291
Inter-segment sales		–	–	–	(1,046,992)	(1,046,992)
Sales from external customers		–	–	–	1,786,299	1,786,299
Operating (loss)/profit		–	(4,553)	(4,553)	46,776	42,223
Finance costs – net	4	–	5,814	5,814	(43,529)	(37,715)
Profit before income tax		–	1,261	1,261	3,247	4,508
Income tax expense	5	–	–	–	(1,493)	(1,493)
Profit for the period		<u>–</u>	<u>1,261</u>	<u>1,261</u>	<u>1,754</u>	<u>3,015</u>

As management reviews the financial position of the Group as a whole, no segment assets/liabilities are disclosed.

3 EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

(a) From continuing operations

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	Unaudited	Unaudited
		Restated
Cost of completed properties sold	47,951	—
Depreciation and amortization	246	60
Directors' emoluments	161	161
Employee benefit expenses	3,537	1,976
Utility expenses	5	9

(b) From discontinued operations

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	Unaudited	Unaudited
		Restated
Changes in inventory levels of finished goods and work in progress	29,890	22,192
Depreciation and amortization	90,588	65,004
Employee benefit expenses	66,534	61,498
Raw materials and consumables used	1,964,608	1,291,805
Transportation expenses	59,255	37,588
Utility expenses	227,456	205,176

4 FINANCE COSTS – NET

(a) From continuing operations

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	Unaudited	Unaudited Restated
Interest expenses		
– bank borrowings	3,354	186
– Other borrowing (i)	94,718	–
	<u>98,072</u>	<u>186</u>
Net exchange loss/(gains) (ii)	20,693	(6,000)
	<u>118,765</u>	<u>(5,814)</u>
Finance costs		
Interest income on bank balances	(30)	–
	<u>118,735</u>	<u>(5,814)</u>

- (i) This represented the interest expenses and amortization cost of the promissory note with the principal amount of RMB 308,000,000, issued to Xiwang Investment in December 2012 (the “**Promissory Note**”).

In 2012, the Promissory Note was booked at fair value of approximately RMB 217,155,000 according to the applicable accounting standards. The difference of its face value and book value should be amortised over the terms of the Promissory Note, i.e. three years from December 2012. According to the agreement with Xiwang Investment for the Disposal, which was completed on 29 June 2013, the amount due by the Group to Xiwang Investment under the Promissory Note was offset against part of the consideration payable by Xiwang Investment. This extinguishment of the promissory note accelerated the recognition of the amortization cost of approximately RMB 78,303,000, which should have been incurred during the three years after the date of its issue.

This balance therefore included the abovesaid accelerated amorisation cost of approximately RMB 78,303,000, the interest expenses of approximately RMB 3,838,000 and the amortization cost of approximately RMB 12,577,000 incurred during the Period.

- (ii) This exchange loss was mainly arisen from the assignment of the loans owed by the companies disposed under the Disposal.

(b) From discontinued operations

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	Unaudited	Unaudited
		Restated
Interest expenses – borrowings	57,334	50,572
Less: interest expenses borne by suppliers	–	(12,970)
	57,334	37,602
Net exchange (gains)/loss	(7,847)	6,641
Finance costs	49,487	44,243
Interest income on bank balances	(2,131)	(714)
Net finance costs	47,356	43,529

5 INCOME TAX EXPENSE

(a) From continuing operations

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	Unaudited	Unaudited
		Restated
Current tax		
– Current tax on profits for the period	3,176	–
Deferred tax		
– Reversal of deferred tax liabilities	(1,659)	–
	1,517	–

(b) From discontinued operations

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	Unaudited	Unaudited
		Restated
Current tax		
– Current tax on profits for the period	177	1,493
Deferred tax		
– Reversal of deferred tax assets	999	–
	1,176	1,493

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group was not subject to any income tax in Bermuda and BVI during the Period (first half of 2012: Nil).

Pursuant to the PRC Corporate Income Tax (“CIT”), all PRC enterprises are subject to a standard enterprise income tax rate of 25%, except for enterprises under specific preferential policies and provisions. In 2013, the applicable tax rate for the subsidiaries of the Company incorporated in the PRC is 25% (2012: 25%).

In November 2010, Shandong Xiwang Sugar Industry Co Ltd (“Xiwang Sugar”), one of the subsidiaries disposed on 29 June 2013 was recognized as the enterprise with “New and Advanced Technology” by the relevant authorities in the PRC. Xiwang Sugar is therefore eligible to enjoy relief of CIT from 25% to 15% from January 2011 onwards. In 2013, the applicable tax rate of Xiwang Sugar is 15%.

Pursuant to the new CIT Law and relevant regulations, withholding tax is levied on dividends paid to foreign investors from PRC enterprises relating to profit earned after 1 January 2008. The Directors consider that its subsidiaries in the PRC would not distribute its profits earned after 1 January 2008 in the foreseeable future, accordingly, no deferred tax had been recognized for the undistributed retained earnings as at 30 June 2013.

6 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	Unaudited	Unaudited
		Restated
(Loss)/profit attributable to equity holders of the Company from continuing operations	(122,184)	1,261
Less: Distribution to holders of convertible preference shares	(553,017)	—
	(675,201)	1,261
Weighted average number of ordinary shares in issue (thousands)	1,008,719	1,008,566
Basic (loss)/earnings per share from continuing operations (RMB per share)	(0.6694)	0.0013

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	Unaudited	Unaudited
		Restated
(Loss)/profit attributable to equity holders of the Company from discontinued operations	<u>(37,459)</u>	<u>1,754</u>
Weighted average number of ordinary shares in issue (thousands)	<u>1,008,719</u>	<u>1,008,566</u>
Basic (loss)/earnings per share from discontinued operations (RMB per share)	<u><u>(0.0371)</u></u>	<u><u>0.0017</u></u>
(Loss)/profit attributable to equity holders of the Company	(159,643)	3,015
Less: Distribution to holders of convertible preference shares	<u>(553,017)</u>	<u>—</u>
	<u>(712,660)</u>	<u>3,015</u>
Weighted average number of ordinary shares in issue (thousands)	<u>1,008,719</u>	<u>1,008,566</u>
Basic (loss)/earnings per share (RMB per share)	<u><u>(0.7065)</u></u>	<u><u>0.0030</u></u>

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible preference shares and share options. As both categories would not have a dilutive effect on the (loss)/earnings per share for the Period, they have not been included in the diluted (loss)/earnings per ordinary share calculation.

(b) Diluted (continued)

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	Unaudited	Unaudited Restated
(Loss)/profit attributable to equity holders of the Company from continuing operations	(122,184)	1,261
Less: Distribution to holders of convertible preference shares	(553,017)	—
	(675,201)	1,261
Weighted average number of ordinary shares in issue (thousands)	1,008,719	1,008,566
Adjustments for		
– assumed conversion of convertible preference shares (thousands)	—	294,258
– share options (thousands)	—	—
Weighted average number of ordinary shares for diluted (loss)/earnings per share (thousands)	1,008,719	1,302,824
Diluted (loss)/earnings per share from continuing operations (RMB per share)	(0.6694)	0.0010

(b) Diluted (continued)

	Six months ended 30 June 2013 RMB'000 Unaudited	2012 RMB'000 Unaudited Restated
(Loss)/profit attributable to equity holders of the Company from discontinued operations	(37,459)	1,754
Weighted average number of ordinary shares in issue (thousands)	1,008,719	1,008,586
Adjustments for		
– assumed conversion of convertible preference shares (thousands)	–	294,258
– share options (thousands)	–	–
Weighted average number of ordinary shares for diluted (loss)/earnings per share (thousands)	1,008,719	1,302,824
Diluted (loss)/earnings per share from discontinued operations (RMB per share)	(0.0371)	0.0013
(Loss)/profit attributable to equity holders of the Company	(159,643)	3,015
Less: Distribution to holders of convertible preference shares	(553,017)	–
	(712,660)	3,015
Weighted average number of ordinary shares in issue (thousands)	1,008,719	1,008,586
Adjustments for		
– assumed conversion of convertible preference shares (thousands)	–	294,258
– share options (thousands)	–	–
Weighted average number of ordinary shares for diluted (loss)/earnings per share (thousands)	1,008,719	1,302,824
Diluted (loss)/earnings per share from discontinued operations (RMB per share)	(0.7065)	0.0023

7 DIVIDENDS

No final dividend was proposed in respect of the year ended 31 December 2012.

A special dividend of HK\$ 0.75 per ordinary share for ordinary shareholders and per convertible preference share for convertible preference shareholders, payable in cash, was approved at the special general meeting held on 29 June 2013. The deferred preferred distribution of RMB 0.01 per convertible preference share of 2012 was paid together with the approved special dividend. RMB 1,157,738,000 of special dividend and preferred distribution in total was payable accordingly. According to the agreement of the Disposal, the total amount of special dividend and preferred distribution entitled by Xiwang Investment, totaling RMB 901,734,000, offset against part of the consideration of the Disposal. Accordingly, special dividend and preferred distribution of RMB 256,004,000 was paid in cash July 2013.

No interim dividend was proposed for the Period (first half of 2012: Nil).

8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment with net book value of RMB 2,624,545,000 was disposed under the sale of the subsidiaries to Xiwang Investment on 29 June 2013.

9 PROMISSORY NOTES RECEIVABLE

This represented the principal amount of two promissory notes issued by Xiwang Investment to the Company for the partial settlement of the consideration (RMB 2,096,000,000) of the Disposal completed on 29 June 2013. Xiwang Investment paid part of the consideration of RMB 441,224,000 in June 2013, and offset part of the consideration by the amount due by the Group to Xiwang Investment under the Promissory Note issued by the Company on 31 December 2012, totaling RMB 311,818,000. The remaining amount of the consideration was settled by issuing two promissory notes with the principal amount totaling RMB 1,342,958,000 to the Company. One of the promissory notes with the principal amount of RMB 901,734,000 was fully offset by the special dividend and preferred distribution of convertible preference shares entitled by Xiwang Investment in July 2013. The other promissory note with principal amount of RMB 441,224,000, which carries interest at the rate of 2.5% per annum and is secured by the ordinary shares of Xiwang Special Steel Company Limited, a company listed on the Stock Exchange (stock code: 1266) held by Xiwang Investment, will be settled by the end of 2013.

10 TRADE AND OTHER RECEIVABLES

		30 June 2013 RMB'000 Unaudited	31 December 2012 RMB'000 Audited
	Note		
Trade receivables – gross and net		2,467	140,932
Bills receivables		–	575,723
Advances to suppliers		–	143,438
Prepayments for construction cost	a	202,965	227,778
Prepayments for tax	b	18,105	17,306
Other receivables		5,012	10,242
		228,549	1,115,419

- (a) This item represented prepayments to suppliers for which property construction activity has not commenced.
- (b) This item mainly represented prepayments for tax on advance proceeds from customers regarding sale of properties.

An ageing analysis of the Group's gross trade receivables, presented according to the invoice date, is as follows:

	30 June 2013 RMB'000 Unaudited	31 December 2012 RMB'000 Audited
0 – 30 days	2,467	93,198
31 – 60 days	–	26,348
61 – 90 days	–	11,272
Over 90 days	–	10,114
	2,467	140,932

11 SHARE CAPITAL AND SHARE PREMIUM

	Unaudited				
	Number of ordinary shares (thousands)	Number of convertible preference shares (thousands)	Ordinary shares RMB'000	Convertible preference shares RMB'000	Share premium RMB'000
At 1 January 2012	1,008,565	–	102,086	–	332,207
Proceeds from warrants to shareholders exercised	1	–	–	–	2
Proceeds from issue of convertible preference shares	–	907,710	–	73,586	787,957
Employee share options scheme – value of service provided	–	–	–	–	874
At 30 June 2012	1,008,566	907,710	102,086	73,586	1,121,040
At 1 January 2013	1,008,565	907,710	102,086	73,586	1,121,704
Exercise of subscription rights of convertible preference shares	268	(268)	21	(21)	–
Employee share options scheme – value of service provided	–	–	–	–	616
Transfer to contributed surplus (i)	–	–	–	–	(1,121,704)
At 30 June 2013	1,008,833	907,442	102,107	73,565	616

- (i) The balance of the share premium of the Company as at 31 December 2012 was approved to be transferred to contributed surplus account of the Company in the annual general meeting held on 22 May 2013.

(a) Share option scheme

A share option scheme was approved and adopted by the Company according to a written resolution passed on 6 November 2005 (the “**Share Option Scheme**”). The Share Option Scheme is designed to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. According to the Share Option Scheme, the Company can issue options to the extent that the total number of shares that may be issued upon exercise of all outstanding options to be granted and any other share option scheme of the Company must not exceed 80,000,000 shares in aggregate.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2013		2012	
	Average exercise price in HK dollar per share	Options (thousands)	Average exercise price in HK dollar per share	Options (thousands)
At 1 January	1.50	9,693	1.50	9,693
Cancelled	1.55	(500)	–	–
Exercised	–	–	–	–
At 30 June	1.50	9,193	1.50	9,693

Share options outstanding as of the end of the Period have the following expiry date and exercise price:

Expiry date	Exercise price HK\$ per share	Number of options (thousands)
7 May 2019	1.32	2,193
13 September 2021	1.55	7,000
		9,193

12 OTHER RESERVES

	Note	Unaudited					Total RMB'000
		Capital reserve RMB'000	Statutory reserve RMB'000	Discretionary reserve RMB'000	Contributed Surplus RMB'000	Merger reserve RMB'000	
At 1 January 2012		103,060	87,466	333,369	471,853	–	995,748
Appropriation to discretionary reserve		–	–	174,353	–	–	174,353
Dividend payment		–	–	–	(62,814)	–	(62,814)
At 30 June 2012		<u>103,060</u>	<u>87,466</u>	<u>507,722</u>	<u>409,039</u>	<u>–</u>	<u>1,107,287</u>
At 1 January 2013		103,060	87,466	509,935	409,040	(118,063)	991,438
Transfer from share premium	11	–	–	–	1,121,704	–	1,121,704
Deemed distribution - reduction of reserves resulting from Disposal		–	–	–	–	(818,344)	(818,344)
Transfer of reserves upon disposal of subsidiaries	(a)	48,382	(85,253)	(509,935)	–	–	(546,806)
Dividend payment		–	–	–	(1,157,738)	–	(1,157,738)
Appropriation to statutory reserve		–	953	–	–	–	953
At 30 June 2013		<u>151,442</u>	<u>3,166</u>	<u>–</u>	<u>373,006</u>	<u>(936,407)</u>	<u>(408,793)</u>

(a) Upon completion of disposal of subsidiaries, all reserves of disposal group were transferred to the retained earnings of the Group.

13 MINORITY INTEREST

In June 2013, a subsidiary incorporated in the PRC, named as Qingdao Xiwang Property Company Limited was formed with issued share capital of RMB 20,000,000. Shareholdings of 70% was held by the Company, the remaining shareholdings of 30% was held by an independent third party.

This subsidiary is principally engaged in the property development in the PRC.

14 TRADE AND OTHER PAYABLES

	30 June 2013 RMB'000 Unaudited	31 December 2012 RMB'000 Audited
Trade payables	1,547	186,376
Notes payables	–	297,000
Other payables	68,482	238,235
Customer deposits and advances on sales of properties	173,213	185,219
Accruals	5,553	70,135
Other taxes payables	–	5,131
Deposits and advance from customers	–	48,670
	248,795	1,030,766

An ageing analysis of the trade payables is as follows:

	30 June 2013 RMB'000 Unaudited	31 December 2012 RMB'000 Audited
0 – 30 days	419	150,686
31 – 60 days	–	9,928
61 – 90 days	82	6,734
Over 90 days	1,046	19,028
	1,547	186,376

15 (LOSS)/PROFIT FROM DISCONTINUED OPERATIONS

Analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group, is as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Revenue	2,844,248	1,786,299
Expenses	(2,880,531)	(1,783,052)
(Loss)/profit before tax of discontinued operations	(36,283)	3,247
Tax	(1,176)	(1,493)
(Loss)/profit after tax of discontinued operations	(37,459)	1,754
(Loss)/profit for the period from discontinued operations attributable to:		
– Owners of the company	(37,459)	1,754
– Non-controlling interests	–	–
(Loss)/profit for the period from discontinued operations	(37,459)	1,754

MANAGEMENT DISCUSSION AND ANALYSIS

1. INTRODUCTION

The Group was established in 2001 with headquarters located in Zouping County, Shandong Province of China. The Company was listed on the Main Board of the Stock Exchange in December 2005.

The Group is principally engaged in property development in the PRC.

The Group carried out corn processing business with a focus on the production of starch sugars and corn co-products in China for over 7 years since its listing. In 2008, the performance of the business was significantly impaired by the melamine scandal and the financial tsunami. Despite management's effort in developing higher value-added product and implementing cost control measures, annual net profit from 2009 to 2011 was substantially lower than that of 2006 and 2007.

In view of the dilemma of high production cost, low gross profit margin and challenging operating environment, in 2012, the Group entered into property development business in Zouping County, Binzhou City of Shandong Province (where the headquarters of the Group located) to seek business diversification and achieve new business breakthroughs. The Group acquired four property projects which are under different stages of development. These projects include three residential projects (namely Lanting project, Meijun project and Qinghe project) and a comprehensive project, namely Yintaishan corn cultural project which consists of cultural, residential and commercial portions. Except for phase one of Meijun project which was completed in 2008, these projects are estimated to be completed by phases from 2013 to 2018 onwards.

In 2012, it was the first time for the corn processing business to record loss and the poor financial performance continued in the first half of 2013. As it is difficult to predict any turnaround of the operating environment and the Group would like to release the financial burden of the loss-making and high-gearing corn processing business and to devote its resources and focus on its profitable property development business. On 29 June 2013, the Company obtained the independent shareholders' approval for the Disposal. The Disposal was completed on 29 June 2013. It is the milestone of the Group as it represents the change of its principal business to the property development business in the PRC.

The Group continued to look for business opportunities in China. As disclosed in the announcement dated 29 May 2013, Glorious Prosper Limited, an indirect wholly-owned subsidiary of the Company, and the Jimo City People's Government (即墨市人民政府) of the PRC entered into a framework agreement in relation to their proposed cooperation on the development of a multi-purpose property development project comprising a station square and commercial, residential and office zones located at the Qing-Rong intercity railway station (青榮城際鐵路火車站) area in Jimo City, Qingdao, Shandong Province of the PRC. The terms of cooperation between the Group and the Jimo City People's Government in relation to the development of the Jimo Project is still under negotiation.

To cope with future development of the property development business, the Group reconstituted the composition of the Board on 15 July 2013 after the completion of the Disposal, with a view to appointing new Directors who possess relevant qualifications and experiences in the PRC property development business. Certain Directors who were solely responsible for the corn processing business also resigned from the Board.

The Board also proposed to change the English name of the Company from "Xiwang Sugar Holdings Company Limited" to "Xiwang Property Holdings Company Limited" to reflect the change in principal business of the Group to the property development business and provide the Company with a clear identity and image, and to adopt the Chinese name of "西王置業控股有限公司" for identification purposes only in replacement of "西王糖業控股有限公司" which has been previously adopted for the same purpose. The change of Company name is subject to approval of the shareholders of the Company by way of a special resolution at the special general meeting of the Company to be held on 30 August 2013 and approval of the Registrar of Companies in Bermuda of the change of the English name of the Company.

To strive for sustainability of the property development business, the Group will from time to time look for opportunities in potential areas of China. As at 30 June 2013, the Group has five property projects under different stages of development in Shandong Province of the PRC:

Project Name	Group's Interest	Location	Land-use Purpose	Land Area square metre ("sq m")	Estimated Gross Floor Area ("GFA") (sq m)	Development Stage
Lanting Project	100%	South of Heban 3rd Road and west of Liquan 1st Road, Zouping County, Binzhou City, Shandong	residential	42,031	112,689	Launched for pre-sale; GFA of around 96,436 sq m unsold as at 30 June 2013
Meijun Project	100%	East of Daiqi 3rd Road South – 1st Road, Chengnan New District, Zouping County, Binzhou City, Shandong				
Phase One			residential	13,333	21,407	Completed in December 2008; GFA of around 2,665 sq m unsold as at 30 June 2013
Phase Two			residential	54,330	153,674	Launched for pre-sale; GFA of around 26,696 sq m unsold as at 30 June 2013
Phase Three			residential	159,821	489,051	To be developed
Qinghe Project	100%	Kaihe Village, Handian Town, Zouping County, Binzhou City, Shandong	residential	131,258	200,000	To be developed

Project Name	Group's Interest	Location	Land-use Purpose	Land Area square metre ("sq m")	Estimated Gross Floor Area ("GFA") (sq m)	Development Stage
Yintaishan Corn Cultural Project	100%	South of Jinan-Qingdao Expressway, North of Yintai Mountain and the ridge of Laorenfeng, extending in the north-south orientation to the east of Tourist Road of Tangli Nunnery and to the west of west outer loop of Zouping County, Binzhou City, Shandong	A comprehensive project with cultural, residential and commercial construction	3,200,016	1,400,000	To be developed
Jimo Project	To be determined	Qing-Rong intercity railway station in Jimo City, Qingdao, Shangdong	A multi-purpose project comprising a station square and commercial, residential and office zone	2,320,000 (under negotiation)	To be determined	Entered into framework agreement in relation to the principles of the cooperation intention with the Jimo City People's Government in May 2013. Detailed terms and arrangements are still under negotiation.
Total				5,920,789	2,376,821	

Lanting Project

Located at the junction between the south of Heban 3rd Road and the west of Liquan 1st Road which is a newly developed area in Zouping County closed to the county government headquarters, Lanting Project is a comprehensive residential development which will be developed into two phases, known as North Zone and South Zone. There will be 14 blocks of 6 to 14-storey residential buildings providing around 510 residential units. During the Period, GFA pre-sold was approximately 3,096 sq m, representing approximately RMB 15 million.

Meijun Project

Meijun Project is located at the east of Daiqi 3rd Road South of Chengnan New District, a newly developed area in Zouping County and the county government headquarters, hospital and colleges are nearby. The Meijun Project is a residential development divided into 3 phases. Phase One was completed in December 2008 and comprises 4 blocks of 5-storey residential buildings providing around 110 residential units. Phase Two comprises 19 blocks of 5 to 18-storey residential buildings providing around 700 residential units. During the Period, GFA of approximately 24,943 sq m of Phase Two was booked, with revenue approximately RMB 57 million was generated. During the first half of 2013, GFA of Phase Two pre-sold was approximately 9,618 sq m, representing approximately RMB 24 million. Phase Three is in the planning stage.

Qinghe Project

Qinghe Project is located at Kaihe Village, Handian Town of Zouping County. The project comprises a parcel of land with a site area of approximately 131,258 sq m for the construction of residential units. The construction work of the property with a site area of approximately 66,667 sq m is currently expected to commence in 2014 and completed in 2017 while the remaining portion of the property with a site area of approximately 64,591 sq m is expected to commence in 2015 and completed in 2018.

Yintaishan Corn Cultural Project

Yintaishan Corn Cultural Project lies to the south of Jinan-Qingdao expressway and to the north of Yintai Mountain. It is one of the 20 key cultural industry parks of Shandong Province. The project will include a conference reception centre, a corn kingdom film studio, a corn museum, a leisure aged-nursing home as well as tourist and cultural real estates. Of the total estimated GFA of 1,400,000 square metres, cultural real estate will take up a GFA of not less than 400,000 sq m, and its ancillary residences will take up a GFA of not less than 800,000 sq m, with ancillary commercial real estate for the residential cluster area cover a GFA of not less than 200,000 sq m.

Jimo Project

Jimo Project is located in Jimo City of Qingdao with a site area of around 2,320,000 sq m. It will be a multi-purpose property development project comprising a station square as the principal development and the commercial, residential and office zones situated at the Qing-Rong intercity railway station in Jimo City. The Group and the Jimo City People's Government entered into a framework agreement in relation to the principles of the cooperation intention in May 2013. The terms of cooperation between the Group and the Jimo City People's Government in relation to the development of the Jimo Project is still under negotiation.

2. REVIEW OF FINANCIAL RESULTS

Unaudited financial results of the Group for the Period, together with the comparative figures of the corresponding period in 2012, is summarized as follow:

For the six months ended 30 June	2013	2012	Increase/ (Decrease)
	RMB'000	RMB'000	%
Revenue	57,470	—	N/A
Gross Profit	9,519	—	N/A
Operating Loss	(1,948)	(4,553)	57.2
Net (Loss)/profit	(159,659)	3,015	(5,395)

The Disposal was completed on 29 June 2013. Revenue, gross profit and operating profit stated above excluded that of the corn processing business, with only net loss of corn processing business up to date of completion included in the net loss of the Group stated above.

Net loss for the Period mainly included non-recurring finance costs of approximately RMB 115 million and net loss of the corn processing business of approximately RMB 37 million.

During the Period, the Group delivered GFA of approximately 24,943 sq m, generated a revenue of approximately RMB 57 million from Meijun Project Phase Two, with gross profit of approximately RMB 10 million. During the first half of 2013, the Group achieved contracted sales of approximately RMB 39 million, equivalent to a GFA of approximately 12,714 sq m which were generated from the Meijun Project Phase Two and Lanting Project.

Contracted sales and GFA completed by project:

Project	During the six months ended 30 June 2013		
	Contracted sales		GFA completed sq m
	GFA sq m	Amount RMB million	
Lanting	3,096	15	3,365
Meijun	9,618	24	10,165
Total	12,714	39	13,530

Selling and marketing costs

The Group's selling and marketing costs mainly consisted of advertising and marketing expense and salaries of sales staff. Selling and marketing costs during the Period were approximately RMB 0.7 million (first half of 2012: N/A).

Administrative expenses

The Group's administrative expenses included general administrative overheads, legal and professional fees and staff cost for management and administrative staff. Administrative expenses for the Period were approximately RMB 10.8 million (first half of 2012: RMB 4.6 million).

Finance costs

The net finance costs of the Group comprised of interest expense and foreign exchange effect. The net finance cost of the Group was approximately RMB 118.7 million for the Period (first half of 2012: net finance income of RMB 5.8 million).

The finance costs during the Period included non-recurring interest expenses and amorisation cost of the promissory note with the principal amount of RMB 308,000,000 issued to Xiwang Investment in December 2012 and extinguished on 29 June 2013 for offsetting against part of the consideration of the Disposal payable by Xiwang Investment, totally around RMB 94.7 million. This also included the exchange loss arisen from the assignment of the loans owed by the companies disposed under the Disposal amounted to approximately RMB 20.7 million.

During the Period, the bank loan interest of the Group was approximately RMB 3.4 million (first half of 2012: 0.2 million).

Income tax expense

The Group's income tax expense was approximately RMB 1.5 million during the Period (first half of 2012: N/A).

Pursuant to the CIT, all PRC enterprises are subject to a standard enterprise income tax of 25%, except for enterprise under specific preferential policies and provisions.

In 2013, the applicable tax rate of Shandong Yintaishan Cultural Development Company Limited, Shandong Xiwang Investment Holdings Company Limited, Shandong Xiwang Property Company Limited and Qingdao Xiwang Property Company Limited is 25% (2012: N/A).

Pursuant to the new CIT Law and relevant regulations, withholding tax is levied on dividends paid to foreign investors from PRC enterprises relating to profit earned after 1 January 2008. The Directors consider that its subsidiaries in the PRC would not distribute its profits earned after 1 January 2008 in the foreseeable future, accordingly, no deferred tax had been recognized for the undistributed retained earnings as at 30 June 2013.

Liquidity, capital resources and gearing ratio:

	30 June 2013 RMB million	31 December 2012 RMB million
Cash and cash equivalents	452	592
Total borrowings ^a	62	2,139
Net current assets	620	52
Total equity	684	2,813
Current ratio ^b	1.33	1.02
Gearing ratio ^c	(0.57)	0.55

^a Total borrowings include borrowings and promissory note payable.

^b Current ratio is calculated as total current assets divided by total current liabilities.

^c Gearing ratio is calculated as net borrowings divided by total equity, of which net borrowings equals to total borrowings minus cash and cash equivalents.

The Group's cash and cash equivalents as at 30 June 2013 amounted to approximately RMB 452 million (31 December 2012: RMB 592 million). During the Period, the Group had net cash outflow from operating activities of approximately RMB 201 million (first half of 2012: net cash inflow of RMB 98 million). The Group has net cash inflow from investing activities of approximately RMB 355 million (first half of 2012: net cash outflow of RMB 903 million) which is mainly from the partial proceeds received from the Disposal of RMB 441 million. The Group has net cash outflow from financing activities of approximately RMB 294 million during the Period (first half of 2012: net cash inflow of RMB 787 million), for the repayment of the bank loans.

The borrowings of the Group amounted to approximately RMB 62 million as at 30 June 2013 was fully repaid in July 2013.

Total equity decrease to RMB 684 million as at 30 June 2013 after the declaration of special dividend amounted to approximately RMB 1,158 million and the reduction of reserves arisen from the Disposal amounted to approximately RMB 818 million.

As at 30 June 2013, current ratio increased to 1.33 (as at 31 December 2012: 1.02), mainly due to the decrease of the Group's borrowings after the Disposal.

Capital Investment

The Group had no significant capital investment related to purchase of property, plant and equipment during the Period (first half of 2012: RMB 903 million).

Contingent liabilities

As at 30 June 2013, the Group had no material contingent liabilities.

Foreign exchange risk

The Group's main operation is in the PRC while the functional currency is RMB. During the Period, majority of the Group's assets, liabilities, incomes, payments and cash balances were denominated in RMB. Therefore, the Directors believed that the risk exposure of the Group to fluctuation of foreign exchange rate was not significant as a whole.

Human Resources

As at 30 June 2013, the Group employed approximately 62 staff (31 December 2012: 3,680), and the staff related costs during the Period was approximately RMB 3.5 million (first half of 2012: RMB 2.0 million). The Group reviews regularly the remuneration packages of the directors and employees with respect to their experience and responsibilities to the Group's business. The Group has established a remuneration committee to determine and review the terms of remuneration packages, bonuses and other compensation payable to the directors and senior management. In addition to basic remuneration packages and discretionary bonuses, share options may be granted based on individual performance.

3. OUTLOOK AND DEVELOPMENT

The National Bureau of Statistics of China announced that the gross domestic product ("GDP") of China registered an increase of 7.6%, reaching RMB 24.8 trillion over the first six months of 2013, which is in line with the annual economic growth target of around 7.5% for 2013 as set by the Central People's Government of the PRC earlier this year. The growth in GDP also fuelled the demand for properties. In the first half of 2013, area of commodity property sold in China was 514,330,000 sq m, grew by 28.7% when compared with the same period last year, while sales revenue also increased by 43.2% to hit RMB 3,337.6 billion. Investment in real estate in China climbed 20.3% to RMB 3,682.8 billion for the Period.

According to “The State Council’s Report on the Progress of Urbanization*” (國務院關於城鎮化建設工作情況的報告) submitted to the third Standing Committee meeting of the Twelfth National People’s Congress of the PRC on 26 June 2013, China had experienced urbanization with an average annual growth rate of 1.02 percentage points since its reform and opening-up. From 2000 onwards, average annual growth rate of urbanization was 1.36 percentage points. In 2012, China achieved 52.57% urbanization rate as compared with 51.3% in 2011. Statistics from the Ministry of Public Security of China showed that there were 25.05 million rural population migrated to cities from 2010 to 2012, indicating that there were 8.35 million rural people moved to cities annually. It implies that there would be a large and continuous demand for housing from these new immigrants, in addition to the regular demand from urban residents.

Shandong is one of the coastal provinces which enjoy prosperous economic growth in China. During the first half of 2013, Shandong Province’s GDP growth rate was 9.6% and achieved a GDP of around RMB 2.6 trillion, ranking the third in terms of GDP volume among the 20 provinces which constituted around 94% of the country’s GDP. Shandong Province is one of the three earliest provinces which had timely initiated planning for provincial urbanization. In 2012, its urbanization rate reached 52.43%, which was 12.75 percentage points higher than that of 2000. To further facilitate the process of urbanization, the People’s Government of Shandong Province (the “**Shandong Government**”) issued the “Urbanization Outline for Shandong Province 2012 – 2020*” (山東省城鎮化發展綱要(2012 – 2020)) on 24 January 2013. It reveals that the Shandong Province has set the target of urbanization rates at 56% and 63% by 2015 and 2020 respectively, with per capita disposable income of urban households reaching over RMB 30,000 and living space per capita in urban areas at 35 sq m by 2015. In addition, the Shandong Government plans to develop 16 extra large cities with population over 1 million and 20 large cities with population between 500,000 to 1 million by 2020. There are also development plans to transform several cities and counties including Jimo city and Zouping county into large cities which can carry a large amount of population, and to develop cities and counties which promote local cultural characteristics, and to construct over 100 kilometres of inter-city railway lines by 2015.

Pursuant to a document named “Planning of Development Priority Zones in Shandong Province*” (山東省主體功能區規劃) submitted to the National Development and Reform Commission on 2 April 2013 upon the request of the State Council, Shandong Province strives to enhance its competitiveness and maintain its economic growth momentum by prioritizing the development of different regions. Jimo City is included in the “Optimal National Development Zone of Jiaodong Peninsula*” (膠東半島國家級優化開發區) while Zouping county is classified under the “Key Provincial Development Zone of Metropolitan Area of Jinan City*” (濟南都市圈省級重點開發區域). The Group’s projects in Zouping county and Jimo city has accurately captured the golden opportunities amid the urge for further urbanization initiatives by the Shandong Government. We believe that we will benefit from these supportive measures, the continuous urbanization process and hence the strong demand for housing. The property sector will continue to grow in the mid-to-long term along with the steady economic growth and strong consumption demand in China and Shandong Province despite the various austerity policies implemented for the property development sector in recent years.

2013 is the year when we changed our principal business to property development. We would like to express our deepest appreciation to our shareholders, our customers and business partners for their full confidence and continuous support. In the years to come, we will closely monitor local and potential new markets and continue to select high-quality land plots for sustainable development in order to reap satisfactory returns.

4. CHANGES TO THE BOARD AND THE SENIOR MANAGEMENT

On 1 April 2013, Mr. SHEN Chi resigned as an independent non-executive Director while Mr. WANG An was appointed as an independent non-executive Director.

With effect from 15 July 2013, Mr. WANG Yong has been re-designated from the chairman to the deputy chairman of the Company and Mr. WANG Di has been re-designated from the deputy chairman to the chairman of the Company. Both Mr. WANG Yong and Mr. WANG Di were re-designated from executive Directors to non-executive Directors.

On 15 July 2013, Mr. WANG Fangming, Dr. LI Wei and Mr. HAN Zhong resigned as executive Directors and Mr. WANG Fangming also ceased to be the general manager of the Company.

On 15 July 2013, Mr. WANG Chuan Wu, Mr. ZHOU Xiang Lin and Mr. CHENG Gang were appointed as executive Directors and Mr. WANG Chuan Wu was also appointed as the chief executive officer of the Company.

On 15 July 2013, Mr. SHI Wei Chen resigned as an independent non-executive Director, while Mr. WANG Shu Jie was appointed as an independent non-executive Director.

Mr. CHUNG Kwok Mo John has been re-designated from the financial consultant to executive vice president of the Company with effect from 15 July 2013. He will be in charge of the Group's corporate finance and investor relations.

CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the Period with all the code provisions set out in the "Corporate Governance Code and Corporate Governance Report" ("**CG Code**") contained in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code for securities transactions of the Directors. Having made specific enquiries with all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the Period.

AUDIT COMMITTEE

The Company has set up an Audit Committee with written terms of reference based upon the provisions and recommended practices of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. On 1 April 2013, Mr. SHEN Chi resigned as an independent non-executive Director and a member of the Audit Committee, while Mr. WANG An was appointed as an independent non-executive Director and a member of the Audit Committee. On 15 July 2013, Mr. SHI Wei Chen resigned as an independent non-executive Director and a member of the Audit Committee, while Mr. WANG Shu Jie was appointed as an independent non-executive Director and a member of the Audit Committee. At present, members of the Audit Committee comprise Mr. WONG Kai Ming (chairman), Mr. WANG An and Mr. WANG Shu Jie, being the three independent non-executive Directors.

The Group's unaudited condensed consolidated financial statements for the Period have been reviewed by the Audit Committee, which is of the opinion that such statements complied with the applicable accounting standards, the Listing Rules, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the Period.

INTERIM DIVIDEND

The Directors resolved not to declare any interim dividend for the Period (corresponding period in 2012: Nil).

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENT

This interim results announcement contains certain forward-looking statements and opinions with respect to the operations and businesses of the Company. These forward-looking statements and opinions relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates and are generally indicated by the use of forward-looking terminology such as believe, expect, anticipate, estimate, plan, project, target, may, will, would or other results of actions that may or are expected to occur in the future. Shareholders and potential investors should not place undue reliance on these forwardlooking statements and opinions, which apply only as of the date of this interim results announcement. These forwardlooking statements are based on the Company's own information and on information from other sources which the Company believes to be reliable. Our actual results may be materially less favorable than those expressed or implied by these forward-looking statements and opinions which could affect the market price of our shares. Neither the Company nor its Directors and employees assume any liability in the event that any forward-looking statements or opinions does not materialize or turn out to be incorrect. Subject to the requirements of the Listing Rules, the Company does not undertake to update any forward-looking statements or opinions contained in this interim results announcement.

MISCELLANEOUS

In the event of inconsistency, the English texts of this interim results announcement shall prevail over the Chinese texts.

By order of the Board of Directors
Xi Wang Sugar Holdings Company Limited
WANG Di
Chairman

Hong Kong, 21 August 2013

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*