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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)

POSITIVE PROFIT ALERT

This announcement is made by Xiwang Sugar Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 shareholders and potential investors of the Company that the Group is very likely to record substantial increases in its operating profit and net profit for the first six months ending 30 June 2010 when compared with that in the corresponding period in 2009. According to the management accounts of the Group for the first five months ended 31 May 2010, the Group’s operating profit and net profit for the first five months ended 31 May 2010 have already exceeded those reported for the six months ended 30 June 2009 by approximately 6 times and 70 times respectively. The Group reported operating profit and net profit of approximately RMB 20.40 million and RMB 1.14 million respectively for the six months ended 30 June 2009.

Notwithstanding the significant year-on-year increase in the price of corn, a major raw material for the Group’s production, the Group was able to increase its products selling prices, in particular the major product crystalline glucose, so that the Group’s gross profit margin has been improved. Based on preliminary assessment on the latest operation data available, the average purchase cost of corn of the Group is likely to increase by more than 25% year-on-year while the average selling prices of crystalline glucose and other products are likely to increase by more than 35% and 25% respectively year-on-year for the first half of 2010, reflecting a solid rebound from last year’s low base caused mainly by the melamine scandal. In addition, as a result of the higher market demand for the Group’s products, the Group’s production plants utilization was raised and the sales volume of the Group’s products in general for the six months ending 30 June 2010 is expected to increase by about 10% compared with the same period of 2009.

Please note that the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the management accounts and the latest operation data available of the Group and that the actual results for the Group is subject to the review of the audit committee of the Company and therefore may be different from what is disclosed in this announcement. Further details of the Group's performance will be disclosed when the 2010 interim results of the Company is to be published by end of August 2010.

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

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

By order of the Board of
Xiwang Sugar Holdings Company Limited
WANG Yong
Chairman

Hong Kong, 21 June 2010

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

Executive directors:

Mr. WANG Yong
Mr. WANG Liang
Dr. LI Wei
Mr. WANG Cheng Qing
Mr. HAN Zhong
Mr. LIU Ji Qiang
Mr. SUN Xihu

Independent non-executive directors:

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

* *For identification purpose only*