

**XIWANG SUGAR HOLDINGS COMPANY LTD:
HOW VERY SWEET IT IS !**

Xiwang Sugar Holdings Company Ltd () (Code: 2088, Main Board, The Stock Exchange of Hongkong Ltd), in terms of its share price since going public on November 30, 2005, has appreciated by nearly 140.43 percent – and it would appear that this could be just the beginning of its share-price appreciation.

The Company is in the business of being a crystallised glucose producer in the People's Republic of China (PRC) and its financial record, since donning the purple cloak of a publicly listed company on the Main Board of The Stock Exchange of Hongkong Ltd, has been an eye-opener for many sceptical investors who continue to maintain to be wary of companies that earn money from growing things in fields or obtaining things from below the ground.

Xiwang Sugar was ranked in first place amongst the 20 largest such enterprises of the PRC in the production of starch-based glucose in 2002.

It pitched its **Initial Public Offering** (IPO) on November 30, 2005, when its Public Offer and International Placing Prospectus was published.

The Company Offered a total of 280 million, 10-cent Shares at \$HK1.88 per Share.

The market price of the shares, today, is about \$HK4.52.

On August 30, 2006, the Company published its first Interim Report as a publicly listed company for the 6 months, ended June 30, 2006.

The highlights of that Interim Report included:

Sales of Products	687,748,000 renminbi (about \$HK661.30 million), up about 67.80 percent, Year-On-Year
Net Profit Attributable To Shareholders	158,852,000 renminbi (about \$HK152.74 million), up about 110 percent, Year-On-Year
Shareholders' Funds	1,317,835,000 renminbi (about \$HK1.27 billion), up about 22.52 percent, Year-On-Year

At Page 23 of that Interim Report, it is stated that the Company was experiencing '*strong demand for glucose in the PRC and overseas markets*' and that Management '*plans to further expand its production capacity for crystallized glucose and starch paste to 800,000 tonnes and 1 million tonnes respectively by the end of 2006 ...*'.

Funding for the expansion plans will come from the net proceeds of its IPO of about one year ago, one is told.

The Company describes its operations as follows:

'Our products can be broadly divided into corn refined products and corn based biochemical products, both of which are sold under the trademarks and can be used for different applications in food and beverage, pharmaceutical, animal feed and biochemical industries. During the Track Record Period, our corn refined products included corn gluten meal, corn germ and animal feed, and our corn based biochemical products included crystallised glucose, glucose syrup and lysine products.'

'Our corn refined products and corn based biochemical products are marketed and sold to customers in approximately 25 provinces and autonomous regions within the PRC and exported to approximately 15 countries which include Korea, Japan, the Philippines, Malaysia, Vietnam, Pakistan, Indonesia, Australia, Belgium, Netherlands and Chili (sic).'

Xiwang Sugar netted about \$HK426.70 million from its IPO, but, on December 29, 2005, Management announced that the Over-Allotment Option, granted to CCB International Capital Ltd (), the Global Coordinator, Bookrunner and Lead Manager of the flotation, had been exercised in full.

The Over-Allotment Option of 3,552,000 Shares netted the Company an additional \$HK6.20 million.

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