

WANXIANG INTERNATIONAL LIMITED
(Incorporated in Singapore on 3 March 2006)
(Company Registration No. 200602962C)

3rd QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR PERIOD ENDED 30 SEPTEMBER 2009.

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	(Unaudited) Group 3Q ended 30 Sep 2009 RMB'000	(Unaudited) Group 3Q ended 30 Sep 2008 RMB'000	% Inc/ (Dec)	(Unaudited) Group 9 mths ended 30 Sep 2009 RMB'000	(Unaudited) Group 9 mths ended 30 Sep 2008 RMB'000	% Inc/ (Dec)
Revenue	102,697	107,344	-4%	273,947	303,356	-10%
Cost of sales	<u>(74,445)</u>	<u>(85,780)</u>	-13%	<u>(202,516)</u>	<u>(249,502)</u>	-19%
Gross profit	28,252	21,564	31%	71,431	53,854	33%
Other operating income	1,571	1,147	37%	4,513	3,698	22%
Distribution and selling expenses	(3,208)	(3,681)	-13%	(8,792)	(8,356)	5%
Administrative expenses	(14,637)	(11,164)	31%	(40,130)	(31,449)	28%
Other operating expense	(3,354)	(73)	NM	(3,442)	(2,596)	33%
Finance costs	<u>(2,094)</u>	<u>(2,469)</u>	-15%	<u>(6,216)</u>	<u>(6,854)</u>	-9%
Profit before tax	6,530	5,324	23%	17,364	8,297	109%
Income tax	<u>(1,333)</u>	<u>(841)</u>	59%	<u>(3,112)</u>	<u>(1,462)</u>	113%
Net profit after tax	<u>5,197</u>	<u>4,483</u>	16%	<u>14,252</u>	<u>6,835</u>	109%
<i>Other comprehensive income:</i>						
Net loss on fair value adjustments	-	(2)	NM	-	(532)	NM
Foreign currency translation	59	2	NM	(85)	(5)	NM
Other comprehensive income, net of tax	<u>59</u>	<u>-</u>	NM	<u>(85)</u>	<u>(537)</u>	-84%
Total comprehensive income for the period	<u>5,256</u>	<u>4,483</u>	17%	<u>14,167</u>	<u>6,298</u>	125%

NM: not meaningful

Notes to the consolidated income statement	(Unaudited) Group 3Q ended 30 Sep 2009	(Unaudited) Group 3Q ended 30 Sep 2008	(Unaudited) Group 9 mths ended 30 Sep 2009	(Unaudited) Group 9 mths ended 30 Sep 2008
<i>(All figures in RMB'000)</i> (Charging)/crediting:-				
Interest income	160	89	348	152
Capital grant	390	239	1,430	590
Amortisation of capital grant	68	-	187	90
Interest on borrowings	(2,054)	(2,469)	(5,986)	(6,617)
Depreciation of property, plant and equipment	(2,398)	(1,992)	(7,904)	(6,579)
Foreign exchange gain/(loss)	553	193	416	(1,411)
Loss on disposal of property, plant and equipment	-	-	(6)	(60)
Rental expenses	(3,571)	(438)	(11,193)	(2,349)
Allowance of doubtful debts	-	-	(570)	-
Write back for stock obsolescence	-	-	345	-
(Writedown)/write back of inventories to net realisable value	-	-	(692)	(350)
Impairment of property, plant and equipment	(3,300)	-	(3,300)	-

Explanation for material variation:

1. Interest expense

The reduction in interest expense was mainly due to lower bank borrowing rate and the repayment of certain bank borrowings. A portion of the interest on the long term loan was capitalise in accordance to Singapore Financial Reporting Standards.

2. Depreciation expense

The increase in depreciation expense was mainly due to additional machinery and equipment acquired in 2008 and early 2009.

3. Foreign exchange gain/(loss)

The foreign exchange gain in 3Q' 2009 mainly arose from the appreciation of US dollars against RMB coupled with an increase in US dollars denominated assets.

4. Rental expenses

The increase in rental expenses is mainly due to the renewal of certain leases of land and premises at a higher rate.

5. Impairment of property, plant and equipment

The impairment arose from the restructuring of a manufacturing plant in PRC.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

(All figures in RMB'000)	Group		Company	
	(Unaudited) 30-Sep-09	(Audited) 31-Dec-08	(Unaudited) 30-Sep-09	(Audited) 31-Dec-08
Non-current assets				
Property, plant and equipment	173,970	122,477	-	13
Investment in subsidiaries	-	-	103,676	103,840
Other receivables	1,409	1,775	-	-
	<u>175,379</u>	<u>124,252</u>	<u>103,676</u>	<u>103,853</u>
Current assets				
Inventories	99,610	114,004	4,563	5,602
Trade receivables	59,666	56,739	16,593	28,176
Other receivables	33,409	21,982	134	115
Cash and bank balances	56,436	47,230	8,054	7,059
	<u>249,121</u>	<u>239,955</u>	<u>29,344</u>	<u>40,952</u>
Total assets	<u>424,500</u>	<u>364,207</u>	<u>133,020</u>	<u>144,805</u>
Non-current liabilities				
Deferred capital grants	3,398	2,450	-	-
Borrowings	60,000	-	-	-
Finance lease liabilities	89	348	-	-
Deferred tax liabilities	1,268	528	-	-
	<u>64,755</u>	<u>3,326</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade payables	39,341	42,369	39,001	44,620
Other payables	11,546	16,827	660	1,700
Deferred capital grants	285	170	-	-
Borrowings	115,711	118,479	-	-
Finance lease liabilities	389	434	-	-
Tax payable	3,410	4,287	-	-
	<u>170,682</u>	<u>182,566</u>	<u>39,661</u>	<u>46,320</u>
Total liabilities	<u>235,437</u>	<u>185,892</u>	<u>39,661</u>	<u>46,320</u>
Net assets	<u>189,063</u>	<u>178,315</u>	<u>93,359</u>	<u>98,485</u>
Equity attributable to equity holders of the Company				
Share capital	112,763	112,763	112,763	112,763
Treasury shares	(3,419)	-	(3,419)	-
Statutory reserves	17,452	15,822	-	-
Merger reserve	10,850	10,850	-	-
Fair value reserves	1,413	1,413	1,115	1,115
Translation reserve	94	179	(5,170)	(4,766)
Retained earnings / (Accumulated losses)	49,910	37,288	(11,930)	(10,627)
Total equity	<u>189,063</u>	<u>178,315</u>	<u>93,359</u>	<u>98,485</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(A) Amount repayable in one year or less, or on demand

As at 30 Sep 2009		As at 31 Dec 2008	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
114,418	1,682	117,052	1,861

(B) Amount repayable after one year

As at 30 Sep 2009		As at 31 Dec 2008	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
60,089	-	348	-

(C) Details of any collaterals

The Group's borrowings are secured by:

- i) legal pledge of the Group's land use rights and motor vehicles;
- ii) mortgage of related parties' leasehold properties and land use rights;
- iii) personal guarantees granted by certain interested persons as well as employees of the Group;
- iv) legal pledge of the Group's deposits and trade receivables; and
- v) corporate guarantee from finance institutions.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	(Unaudited) Group 3Q ended 30 Sept 2009	(Unaudited) Group 3Q ended 30 Sept 2008	(Unaudited) Group 9 mths ended 30 Sept 2009	(Unaudited) Group 9 mths ended 30 Sept 2008
(All figures in RMB'000)				
Cash flows from operating activities				
Profit before income tax	6,530	5,324	17,364	8,297
Adjustments for:				
Depreciation of property, plant and equipment	2,398	1,992	7,904	6,579
Amortisation of costs from measuring loan at fair value	22	22	66	237
Amortisation of capital grants	(68)	-	(187)	(90)
Loss on disposal of property, plant and equipment	-	-	6	186
Interest expense	2,054	2,469	5,986	6,617
Interest income	(160)	(89)	(348)	(152)
Impairment of property, plant and equipment	3,300	-	3,300	-
	<u>14,076</u>	<u>9,718</u>	<u>34,091</u>	<u>21,674</u>
Operating cash flow before movements in working capital				
Inventories	8,614	(1,471)	14,394	15,555
Trade receivables	(4,747)	17,059	(2,927)	8,036
Other receivables	12,334	(14,640)	4,348	(21,248)
Trade payables	(338)	4,847	(3,028)	(14,779)
Other payables	(21,270)	(1,845)	(5,281)	(3,088)
Cash generated from operations	<u>8,669</u>	<u>13,668</u>	<u>41,597</u>	<u>6,150</u>
Income tax paid	(527)	(1,256)	(3,249)	(1,463)
Interest income received	127	89	249	152
Net effect of exchange differences	59	(2)	(85)	(6)
Net cash generated from operating activities	<u>8,328</u>	<u>12,499</u>	<u>38,512</u>	<u>4,833</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	(26,772)	(1,856)	(60,983)	(14,608)
Proceed from disposal of property, plant and equipment	-	-	-	98
Deposits for purchase of land use rights	(9,500)	-	(15,310)	-
Receipt of government grant	350	590	1,250	1,490
Net cash used in investing activities	<u>(35,922)</u>	<u>(1,266)</u>	<u>(75,043)</u>	<u>(13,020)</u>
Cash flows from financing activities				
Net increase/(decrease) in borrowings	2,792	(3,617)	57,165	18,258
Repayment of finance lease liabilities	(99)	(72)	(304)	(226)
Decrease/(increase) in cash restricted-to-use	9,498	2,852	(12,224)	1,610
Purchase of treasury shares	(481)	-	(3,419)	-
Interest expense paid	(2,377)	(2,469)	(7,705)	(6,854)
Net cash generated from/(used in) financing activities	<u>9,333</u>	<u>(3,306)</u>	<u>33,513</u>	<u>12,788</u>
Net (decrease)/increase in cash and cash equivalents	<u>(18,261)</u>	<u>7,927</u>	<u>(3,018)</u>	<u>4,601</u>
Cash and cash equivalents at beginning of financial period	<u>58,798</u>	<u>33,385</u>	<u>43,555</u>	<u>36,711</u>
Cash and cash equivalents at end of financial period	<u>40,537</u>	<u>41,312</u>	<u>40,537</u>	<u>41,312</u>
Cash and cash equivalents are represented by:				
Cash and bank balances	56,436	41,312	56,436	41,312
Less deposits with restrictions*	(15,899)	-	(15,899)	-
	<u>40,537</u>	<u>41,312</u>	<u>40,537</u>	<u>41,312</u>

* This includes deposits pledged with bank for borrowings.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of changes in equity

Group

(RMB'000)	Share capital	Treasury shares	Statutory reserves	Merger reserve	Fair value reserves	Translation reserve	Retained earnings	Total
Balance at 1 January 2009	112,763	-	15,822	10,850	1,413	179	37,288	178,315
Total comprehensive income for the period	-	-	-	-	-	(85)	14,252	14,167
Purchase of treasury shares	-	(3,419)	-	-	-	-	-	(3,419)
Transfer to statutory reserves	-	-	1,630	-	-	-	(1,630)	-
Balance at 30 September 2009	112,763	(3,419)	17,452	10,850	1,413	94	49,910	189,063
Balance at 1 January 2008	112,763	-	13,104	10,850	2,572	167	32,437	171,893
Total comprehensive income for the period	-	-	-	-	(532)	(5)	6,835	6,298
Transfer to statutory reserves	-	-	1,584	-	-	-	(1,584)	-
Balance at 30 September 2008	112,763	-	14,688	10,850	2,040	162	37,688	178,191

Company

(RMB'000)	Share capital	Treasury shares	Fair value reserves	Translation reserve	Accumulated losses	Total
Balance at 1 January 2009	112,763	-	1,115	(4,766)	(10,627)	98,485
Total comprehensive income for the period	-	-	-	(404)	(1,303)	(1,707)
Purchase of treasury shares	-	(3,419)	-	-	-	(3,419)
Balance at 30 September 2009	112,763	(3,419)	1,115	(5,170)	(11,930)	93,359
Balance at 1 January 2008	112,763	-	1,115	1,339	(4,432)	110,785
Total comprehensive income for the period	-	-	-	(5,626)	(1,793)	(7,419)
Balance at 30 September 2008	112,763	-	1,115	(4,287)	(6,225)	103,366

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares ('000)		S\$'000	
	1 January 2009	30 September 2009	1 January 2009	30 September 2009
Ordinary shares issued and fully paid	334,784	334,784	22,609	22,609
Treasury shares	-	(12,595)	-	(746)
Ordinary shares issued and fully paid, excluding treasury shares	334,784	322,189	22,609	21,863

Pursuant to a Share Purchase Mandate approved by shareholders on 20 October 2008 and renewed on 28 April 2009, the Company has purchased a total of 12,595,000 shares through market purchase on the Singapore Exchange Securities Trading Limited during the period. The total amount paid to acquire shares pursuant to the Share Purchase Mandate was approximately \$746,000 and these were held as treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of shares	Issued and paid up capital (S\$)
As at 30 September 2009	322,188,698	21,862,931
As at 31 December 2008	<u>334,783,698</u>	<u>22,609,076</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There is no sales, transfers, disposal, cancellation and/or use of treasury shares during the period under review.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures for the current period have not been audited or reviewed by the Company's independent auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation applied are consistent with the most recently audited financial statements except for the adoption of revised Singapore Financial Standards which is effective for the financial period beginning 1 January 2009.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 January 2009, the Group adopted the revised Singapore Financial Reporting Standards (FRS1R) – Presentation of financial statements. FRS 1R requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in the Consolidated Statement of Comprehensive Income.

Accordingly, comparatives for 2008 have been restated to conform to the requirements of the revised standard.

There were no significant impact on prior period earnings per ordinary share and net asset value per share on adoption of FRS1R.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	3Q ended	3Q ended	9 mths	9 mths
	30 Sep 2009	30 Sep 2008	ended 30	ended
			Sep 2009	30 Sep 2008
Earnings per ordinary share (RMB cents)	1.59	1.34	4.35	2.04

Basic earnings per share is calculated on the Group's net attributed profit to shareholders' for the relevant period by the weighted average number of ordinary shares issued. There are no potential dilutive ordinary shares existing during the current financial period reported on and the corresponding period. The computation of earnings per ordinary share is based on the weighted average number of 327,811,448 (2008: 334,783,698) ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	Group (Unaudited)		Company (Unaudited)	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
	Net asset per share (RMB cents)	58.68	53.26	28.98

The calculation of net asset value per ordinary share is based on 322,188,698 and 334,783,698 ordinary shares for period ended 30 September 2009 and 31 December 2008 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) 3Q2009 v 3Q2008

Our revenue decreased by RMB 4.6 million or 4% from RMB 107.3 million in 3Q2008 to RMB 102.7 million in 3Q2009 due to decrease in sales volume of natural flavours. However, this was partially offset by an increase in sales of synthetic flavours, mainly Carvone and Methyl Dihydromethyl Jasmonate ("MDJ").

Gross margin in 3Q2009 improved by 7.4% from 20.1% in 3Q2008 to 27.5%. The increase was mainly attributed to the decrease in raw material prices and focus on products with better gross margin. In addition, coupled with an improvement in production efficiency has resulted in reduction in raw material wastage.

Distribution and selling expenses decreased by RMB 0.5 million mainly due to the reduction in transportation costs and the additional accrual for sales commission in 3Q2008. However, the decline is partially offset by an increase in storage costs overseas.

Administrative expenses increased by RMB 3.5 million from RMB 11.1 million to RMB 14.6 million in 3Q2009 mainly due to the renewal of the leases of land and premises from a related party at a higher rate based on to an international valuer's report.

The increase in other operating income mainly arose from foreign exchange gain in 3Q2009 due to the appreciation of US dollars against RMB. Other operating expenses increase mainly due to the impairment arose from the restructuring of a manufacturing plant in PRC.

Finance costs decreased marginally by 15% in 3Q2009 as compare to 3Q2008 mainly due to lower bank borrowing rate.

Tax expense increased as one of our subsidiaries, Huaian Wanbang Aromatic Chemicals Industry Co., Ltd, became taxable in FY 2008 due to the end of its two year tax free holiday and is now entitled to only a 50% income tax relief for the period from FY2008 to FY2010. In addition, the Group had accounted for the deferred tax liabilities of approximately RMB 0.3 million which arose from the withholding tax rules of PRC on dividend payment to foreign shareholders that was implemented in FY2008.

(b) 9 months 2009 v 9 months 2008

Our revenue decreased by RMB 29.4 million or 10% from RMB 303.4 million for the nine months ("9M") 2008 to RMB 273.9 million in 9M2009 due to decrease in sales volume of natural flavours. However, this was partially offset by an increase in sales of synthetic flavours, mainly Carvone and Methyl Dihydromethyl Jasmonate ("MDJ").

Gross margin in 9M2009 improved by 8.3% from 17.8% in 9M2008 to 26.1%. The increase was mainly attributed to the decrease in raw material prices and focus on products with better gross margin. In addition, coupled with an improvement in production efficiency has resulted in reduction in raw material wastage.

Distribution and selling expenses increased by RMB 0.4 million mainly due to recruitment of senior managers in the sales department. In addition, the increase was also due to the expansion of overseas business activities which resulted in an increase in overseas travelling expenses and product promotion expenses. At the same time, the sales department has implemented a sales incentive scheme which resulted in additional accrued expenses for sales commission.

Administrative expenses increased by RMB 8.7 million from RMB 31.4 million to RMB 40.1 million in 9M2009 mainly due to the renewal of the leases of land and premises from a related party at a higher rate, according to an international valuer's report. In addition, the management has provided an allowance of RMB 0.6 million after an assessment of the long outstanding receivables.

The increase in other operating expenses mainly due to the impairment arose from the restructuring of a manufacturing plant in PRC. However, the increase was partially offset by foreign exchange gain in 9M2009 instead of foreign exchange loss in 9M2008 due to the appreciation of US dollars against RMB.

Finance costs decreased by 9% in 9M2009 as compare to 9M2008 mainly due to lower bank borrowing rate.

Tax expense increased as one of our subsidiaries, Huaian Wanbang Aromatic Chemicals Industry Co., Ltd, became taxable in FY 2008 due to the end of its two year tax free holiday and is now entitled to only a 50% income tax relief for the period from FY2008 to FY2010. In addition, the Group had accounted for the deferred tax liabilities of approximately RMB 0.7 million which arose from the withholding tax rules of PRC on dividend payment to foreign shareholders that was implemented in FY2008.

(c) Current assets increased by RMB 9.2 million from RMB 240.0 million in FY2008 to RMB 249.1 million at 30 September 2009. The increase was mainly due to an increased in cash and bank balances as the Group has drawn down a further borrowing of RMB 60.0 million to fund expansion of production capacity. In addition, other receivables has increased by RMB 11.4 million mainly comprise the down-payment for land use rights, machineries and equipments. The increase was partially offset by a lower stock holding level.

Current liabilities decreased by RMB 11.9 million from RMB 182.6 million in FY2008 to RMB 170.7 million at 30 September 2009 mainly due to settlement of outstanding balances for the purchase of machineries and repayment of borrowings during the period.

Property, plant and equipment increased by RMB 51.5 million from RMB 122.5 million in FY2008 to RMB 174.0 million at 30 September 2009. The increase was mainly due to construction of the new

factory and production lines in our China subsidiaries. However, the increase was partially offset by the impairment and depreciation of property, plant and equipment.

Non-current liabilities increased by RMB 61.4 million mainly due to the drawn down of a RMB 60.0 million loan from a bank to fund expansion of production capacity.

Cash and cash equivalents decreased by RMB 3.1 million from RMB 43.6 million to RMB 40.5 million at 30 September 2009. The deterioration is mainly due to net cash used in investing activities is mainly due to the construction of the new factory and production lines in our China subsidiaries. Operating activities generated RMB 38.5 million from profitable operation and financing activities generated RMB 33.5 million mainly from bank borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or a prospect statement has been previously disclosed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the midst of this global financial turmoil, the Group has achieved a set of reasonable financial results for the first three quarters of this financial year. However, the risk of volatility in the raw material and currency market and surging oil price could affect our operation. In view of the improved economy in PRC and worldwide, the Directors are optimistic that the Group will remain profitable for the remaining financial year.

11. Dividend

(a) Current Financial Year

No dividend has been declared for the financial year reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared for the corresponding period of the immediately preceding financial year.

(c) The date the Dividend is payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared/recommendeded.

13. CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

On behalf of the Board of Directors of the Company, we, Li Chunnan and Zang Jinyu, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the third quarter financial results for the period ended 30 September 2009 to be false or misleading in any material aspect.

For and on behalf of the Board

Li Chunnan
Director

Zang Jinyu
Director

BY ORDER OF THE BOARD

Li Chunnan
Chief Executive Officer and Executive Director

6 November 2009

The initial public offering of Wanxiang International Limited ("the Company") was sponsored by Mitsubishi UFJ Securities (Singapore), Limited (the "Manager"). The Manager assumes no responsibility for the contents of this Announcement.

The Company was incorporated in Singapore on 3 March 2006 and listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 19 July 2007.