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BaWang International (Group) Holding Limited

霸王國際（集團）控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01338)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of BaWang International (Group) Holding Limited (“**BaWang**” or the “**Company**”, together with its subsidiaries the “**Group**”) in accordance with Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Further to the profit warning announcement issued by the Company on 24 January 2011, the Board wishes to announce that, after further review of the finalised management accounts of the Group, it is currently estimated that the Group will record a loss of not more than RMB130.0 million for the financial year ended 31 December 2010 as compared with the net profit of RMB364.1 million for the financial year ended 31 December 2009. Such loss was principally attributable to the substantial decline in the sales of the Group’s shampoo products in the second half of 2010 as a result of and in connection with the “dioxane incident” as disclosed in the announcement of the Company dated 14 July 2010. The “dioxane incident” adversely affected the performance of the Group during the second half of 2010 in various aspects, including a substantial decrease in sales and additional marketing and promotion expenses as part of the remedial actions to restore the consumer’s confidence in the Group’s products.

The audit of the annual accounts of the Group for the year ended 31 December 2010 has not yet been finalised as of the date of this announcement. The Company expects to announce the Group’s annual results for the year ended 31 December 2010 in late March 2011.

The Board considers that the Group has sufficient financial resources for its current requirements for its on-going business developments.

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

Made by the order of the Board, the Directors individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board
BaWang International (Group) Holding Limited
CHEN Qiyuan
Chairman

Hong Kong, 4 March 2011

As at the date of this announcement, the Board comprises of four executive directors, namely, Mr. CHEN Qiyuan, Ms. WAN Yuhua, Mr. SHEN Xiaodi and Mr. WONG Sin Yung, one non-executive director, namely, Ms. GUO Jing, and three independent non-executive directors, namely, Mr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEN Kaizhi.

** For identification purpose only*