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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 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.

Based on the unaudited management accounts of the Group for the first half of 2011 and other relevant information made available to the board of directors of the Company (the "**Board**") as at the date hereof, the Board preliminarily estimates that the results of the Group for the first half of 2011 would record a loss. The Board considers such loss is mainly attributable to and in connection with the "dioxane incident" (the "**Incident**") as disclosed in the announcement of the Company dated 14 July 2010. Although the Group is in the process of recovering from the negative impact arising from the Incident, the sales of its hair care and shampoo products for the first half of 2011 has continued to be adversely affected by the Incident and were lower than the sales in the same period of last year. Furthermore, the Group had to incur additional marketing and promotional costs for building up brand recognitions of its new product lines and for restoring consumers' confidence in its hair care and shampoo products.

As the Group's final figures for the first half of 2011 are not yet available, the information contained in this announcement represents only a preliminary estimate performed by the Board based on the information made available to the Board as at the date hereof and is not based on any figures or information which have been audited or reviewed by the Company's auditors. The Company expects to announce the Group's interim results for the first half of 2011 in late August 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 of the Company 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, 8 July 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*