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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

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of BaWang International (Group) Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and the potential investors of the Company that based on the currently available information, it is expected that the Group would continue to incur net operating loss for the year ended 31 December 2014.

The Directors believe that the net operating loss for the year ended 31 December 2014 is primarily attributable to the decrease in the sales revenue of the continuing operations in the manufacturing and sales of the household and personal care products. During the first eleven months of 2014, overall sales revenue decreased by approximately 38%, as compared with the corresponding period in 2013. However, as the Group has adopted a new value-chain-oriented business model since the second half of 2012, various cost-saving measures had contributed to a decrease in the amount of the net operating loss for the eleven months ended 30 November 2014 by approximately 50%, as compared with the corresponding period in 2013.

The information contained in this announcement is based on the preliminary review of the currently available information, which have not been reviewed or audited by the Company’s auditors. As such, the actual results of the Group for the year ended 31 December 2014 may be different from the disclosure in this announcement.

Further information on the Group’s results and performance for the year ended 31 December 2014 is expected to be released in March 2015 and the related annual report will be published and dispatched to the shareholders of the Company in accordance with the requirements under the Listing Rules.

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

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

Hong Kong, 13 January 2015

As at the date of this announcement, the Board comprises of four executive Directors, namely Mr. CHEN Qiyuan, Ms. WAN Yuhua, Mr. CHEN Zheng He and Mr. WONG Sin Yung, and three independent non-executive Directors, namely Dr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEUNG Kin Wing.

** For identification purpose only*