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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)

UPDATE ON 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).

Reference is made to the profit warning announcement of the Company dated 7 July 2015 (the “**Profit Warning Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement, unless otherwise specified.

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 incur a net operating loss of approximately RMB88.1 million for the six months ended 30 June 2015 (2014: approximately 51.6 million).

Despite the decrease in the sales revenue of the continuing operations in the manufacturing and sales of the household and personal care products leading to the net operating loss for the six months ended 30 June 2015 as mentioned in the Profit Warning Announcement, the Board wishes to inform the shareholders of the Company and the potential investors of the Company that, for the six months ended 30 June 2015, the operating expenses dropped by 43.9% as compared with the corresponding period in 2014, which alleviated the impact of the decrease in total sales by 28.7% as compared with the corresponding period in 2014. The Directors believe that the increase in the net operating loss for the six months ended 30 June 2015 was caused by the impairment loss of assets of approximately RMB54.4 million following a valuation of the property, plant and equipment in use in the continuing operations, by reference to their value in use.

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. The actual results of the Group for the six months ended 30 June 2015 may be different from the disclosure in this announcement.

Further information on the Group’s results and performance for the six months ended

30 June 2015 is expected to be released in August 2015 and the related interim report will be published and dispatched to the Shareholders 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, 24 August 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*