

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares.

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)

ISSUE OF SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 11 May 2016 (after trading hours), the Company and each of the Subscribers entered into the Subscription Agreements in relation to the issue of Subscription Shares to each of the Subscribers at the Subscription Price of HK\$0.31 per Subscription Share subject to the Lock-up Period. The obligations of each of the Subscribers under the Subscription Agreements are several (not joint or joint and several) and their rights are separate and independent.

The Subscription Shares to be allotted and issued under the Subscription Agreements represent approximately 8.59% of the existing issued share capital of the Company; and approximately 7.91% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares.

The Subscription Shares will be allotted and issued under the General Mandate. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Shareholders and potential investors should note that the Completion is subject to fulfillment of the conditions under the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 11 May 2016 (after trading hours), the Company and each of the Subscribers entered into the Subscription Agreements in relation to the issue of Subscription Shares to the Subscribers, major terms of which are as follows:

THE SUBSCRIPTION AGREEMENTS

Date

11 May 2016

Parties

Issuer: the Company (as the issuer)

Subscribers: Not less than six Subscribers, being individuals, corporates, institutional or other professional investors. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Subscribers and their ultimate beneficial owners (if applicable) are Independent Third Parties. It is expected that none of the Subscribers will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately upon Completion of the Subscriptions

Subscription Shares

Subject to the fulfillment of conditions precedent set out below, the Subscribers shall subscribe an aggregate of 250,000,000 Subscription Shares.

Pursuant to the Subscription Agreements, the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 250,000,000 new Shares at the Subscription Price of HK\$0.31 per Subscription Share.

The Subscription Shares to be allotted and issued under the Subscription Agreements represent approximately 8.59% of the existing issued share capital of the Company, and approximately 7.91% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares.

The aggregate nominal value of the Subscription Shares (with a par value of HK\$0.10 each) is HK\$25,000,000.

Conditions Precedent

Completion of the Subscriptions shall be subject to the following conditions being fulfilled:

- a) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares; and
- b) compliance with all the applicable requirements under the Listing Rules and other regulatory bodies.

If any of the above conditions are not fulfilled on or before 26 May 2016 (or such other date as the Company and the Subscribers may agree in writing), the Subscription Agreements will terminate and cease to have effect and none of the parties thereto shall have any claim against the others save for any antecedent breaches of the provisions thereof.

Completion

Completion shall take place within five business days from the date on which all the conditions referred to above have been fulfilled, which is expected to be no later than 21 business days after the date of the Subscription Agreements.

Termination

Each of the Subscribers is entitled to terminate the Subscription Agreements by notice in writing to the Company upon the occurrence of any of the force majeure events set out in the Subscription Agreements at any time between the date of the Subscription Agreements and the Completion Date.

Subscription Price

The Subscription Price of HK\$0.31 per Subscription Share represents:

- a) a discount of approximately 19.48% to the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on 11 May 2016, being the date of the Subscription Agreements;
- b) a discount of approximately 18.64% to the average closing price of HK\$0.381 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 10 May 2016, being the trading day immediately preceding the date of the Subscription Agreements; and
- c) a discount of approximately 17.88% to the average closing price of approximately HK\$0.3775 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 11 May 2016, being the trading day immediately preceding the date of the Subscription Agreements.

The net proceeds of the Subscriptions, after deducting the relevant expenses, are estimated to be approximately HK\$77,200,000 and the net price per Subscription Share is approximately HK\$0.3088.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to the recent trading prices of the Shares. The Directors consider that the Subscriptions are on normal commercial terms and the terms and conditions of the Subscription Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

The Subscribers shall pay to the Company the aggregate Subscription Price for the Subscription Shares upon Completion.

The obligations of each of the Subscribers under the Subscription Agreements are several (not joint or joint and several) and their rights are separate and independent.

Lock-up Undertakings

Each of the Subscribers had undertaken that without the prior written consent of the Company, it will not whether directly or indirectly, at any time during the Lock-up Period dispose of any of the Subscription Shares and procure its shareholders to dispose its interests in the Subscribers or any interest in any company or entity holding any of the Subscription Shares (as the case may be).

Ranking

The Subscription Shares will rank *paripassu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of Subscription Shares.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate, which has not been used since granted. Accordingly, the General Mandate is sufficient for the issue and allotment of the Subscription Shares and the Subscriptions are not subject to the Shareholders' approval.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

USE OF PROCEEDS AND REASON FOR AND BENEFIT OF THE SUBSCRIPTIONS

The Group is principally engaged in manufacturing and sales of the household and personal care products.

The Directors consider that the Subscriptions not only broaden the Shareholders' base of the Company but they also represent a good opportunity to raise additional funds at a reasonable cost for the Company.

The gross proceeds of the Subscriptions will be HK\$77,500,000. The net proceeds of the Subscriptions are estimated to be approximately HK\$77,200,000. The Company intends to use the net proceeds as follows:

- a) repayment of the existing Shareholders' loans; and
- b) general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PERIOD

The Company has not conducted any equity fund raising activity during the past twelve months immediately preceding the date of this announcement.

CHANGE IN SHAREHOLDING STRUCTURE

Assuming there is no change in the share capital of the Company from the date of the announcement up to Completion, below is the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after Completion.

	As at the date of this announcement		Immediately after Completion	
	Number of Shares	%	Number of Shares	%
Fortune Station Limited <i>(Notes 1 and 2)</i>	1,900,840,000	65.28	1,900,840,000	60.12
Public Shareholders				
The Subscribers	--	--	250,000,000	7.91
Other public Shareholders	1,010,970,720	34.72	1,010,970,720	31.97
Total	2,911,810,720	100.00	3,161,810,720	100.00

Notes:

- 1) Fortune Station Limited is owned as to 51% by Mr. CHEN Qiyuan, the Chairman and an executive Director, and 49% by Ms. WAN Yuhua, the spouse of Mr. CHEN Qiyuan.

2) On 29 September 2015, Fortune Station Limited has pledged 1,900,840,000 Shares in favour of Claren Enterprises Limited (“Claren”) as security for a loan facility provided by Claren. Claren is wholly owned by VMS Finance Group Limited, VMS Finance Group Limited is wholly owned by VMS Holdings Limited and VMS Holdings Limited is wholly owned by MAK Siu Hang Viola.

Shareholders and potential investors should note that the Completion is subject to fulfillment of the conditions under the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the same meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	BaWang International (Group) Holding Limited (霸王國際(集團)有限公司*), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01338)
“Completion”	the completion of the Subscriptions
“Completion Date”	the date on which the Completion shall take place and such day shall be within five business days after the satisfaction of the conditions precedent as set out in the Subscription Agreements (or such other date as may be agreed by the Company and the Subscribers in writing), which is expected to be no later than 21 business days after the date of the Subscription Agreements
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the

annual general meeting of the Company dated 29 May 2015, among other things, to allot, issue and deal with up to 582,194,144 Shares, being 20% of the then issued share capital of the Company as at the date of such annual general meeting

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any party who is not connected (within the meaning of the Listing Rules) with any director, chief executive or substantial Shareholder of the Company or any of its respective subsidiaries or an associate of them
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lock-up Period”	the period of 90 days following the Completion Date
“Main Board”	the Main Board of the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the subscribers of the Subscription Shares under the Subscription Agreements
“Subscription Agreements”	the subscription agreements dated 11 May 2016 entered into between the Company and each of the Subscribers in relation to the Subscriptions

“Subscription Price”	the subscription price of HK\$0.31 per Subscription Share
“Subscription Shares”	an aggregate of 250,000,000 new Shares to be allotted and issued upon Completion of the Subscriptions
“Subscriptions”	the subscriptions of the aggregate of 250,000,000 Subscription Shares at the Subscription Price pursuant to the terms and conditions of the Subscription Agreements
“%”	per cent

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

Hong Kong, 11 May 2016

As at the date of this announcement, the Board comprises of three executive Directors, namely Mr. CHEN Qiyuan, 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*