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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 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 and the potential investors of the Company that based on the preliminary review of the currently available information, it is expected that the Group will record a net loss for the financial year ended 31 December 2018 (“**FY2018**”) as compared to a net profit for the same period in 2017.

Based on the currently available information, there was a modest increase in the Group’s aggregate revenue in FY2018, but labour costs, raw material costs and costs of packaging materials also increased notably. The Group also made investments into promotional activities to further develop its online sales channel which led to a significant increase in its sales through this channel in FY2018 and a corresponding increase in logistics costs incurred by the Group during the same period.

The information contained in this announcement is based on the preliminary review of the currently available information, which has not been reviewed by the Company’s auditors or its audit and risk management committee. Further information on the Group’s results and performance for the FY2018 is expected to be released in March 2019 and the annual report of the Company 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 therefore 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, 30 January 2019

As at the date of this announcement, the Board comprises 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. CHEUNG Kin Wing and Dr. WANG Qi.

** For identification purpose only*