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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)

VOLUNTARY ANNOUNCEMENT

IMPACT OF THE OUTBREAK OF NOVEL CORONAVIRUS (COVID-19) EPIDEMIC ON BUSINESS OPERATION

This announcement is made by BaWang International (Group) Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Since the outbreak of the novel coronavirus (COVID-19) epidemic (the “**Epidemic**”), the Government of the People’s Republic of China (the “**PRC**”) has implemented various emergency prevention and control measures, such as imposing lockdown policies in certain cities and extending work resumption dates after the statutory holidays for the Chinese New Year to reduce the risk of spreading the Epidemic within the PRC.

The Group’s production facility and supply chain centre located in Guangzhou have resumed production and service on 10 February 2020 after the statutory holidays for Chinese New Year and the suspension period prescribed by the government authorities. Prior to the resumption, physical inspections were made on the Group’s anti-infection measures by the local township authorities and the Group was permitted to resume its business operation. Due to the prolonged work suspension and reduced workforce mobility, the Group has been facing a temporary decrease in production. Certain scheduled deliveries could also be affected owing to the traffic limitations imposed between cities and provinces. Under these circumstances, the Group has adjusted production and delivery targets, and will endeavour to mitigate any adverse economic impact on both the Group and its customers. The Group believes that the PRC government has taken the most comprehensive and stringent prevention and control measures to fight the Epidemic and these measures are beginning to show results. Even though the Group’s has gradually resumed production, the Group will continue to strictly follow these measures to ensure that its employees can work in a safe and healthy environment.

The aforesaid impact of the Epidemic on the Group’s business operations, which was beyond the control of the Group, may adversely affect the financial results of the Group for the six months ending 30 June 2020. The Company will continue to monitor the development of the Epidemic and evaluate its impact on the Group’s operation and financial performance. The Company will take appropriate measures as necessary and make further announcements when appropriate.

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, 21 February 2020

As at the date of this announcement, the board of directors of the Company 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*