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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 marked increase in net loss for the financial year ended 31 December 2019 (“**FY2019**”) when compared to the same period in 2018 (“**FY2018**”).

Based on the currently available information, the marked increase in net loss of the Group in FY 2019 was primarily attributable to the following factors: (1) the Group has been facing intense competition in the sales of its products, which caused a decrease in revenue; and (2) the Group increased its expenditures in the ongoing development of its online sales channel, which negatively affected the Group’s operating margin for the year.

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 FY2019 is expected to be released in March 2020 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, 24 February 2020

*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*