

To: Business Editor  
 [For immediate release]

**BaWang International (Group) Holding Limited**  
**霸王國際(集團)控股有限公司**

**Bawang Group Announces 2009 Annual Results**  
**Revenue and Net Profit Surged by 24.4% and 29.2% to**  
**RMB1,756.0 and RMB364.1 million respectively**

\* \* \*

**Maintain strong revenue growth momentum with margin expansion**

**Financial Highlights**

	For the 12 months ended 31 December		
	2009 RMB ('000)	2008 RMB ('000)	Change (%)
<b>Revenue</b>	<b>1,756,001</b>	1,411,248	<b>+24.4</b>
<b>Gross profit</b>	<b>1,165,646</b>	901,924	<b>+29.2</b>
<b>Gross profit margin (%)</b>	<b>66.4%</b>	63.9%	<b>+2.5% points</b>
<b>Profit from Operation</b>	<b>452,252</b>	341,925	<b>+32.3</b>
<b>Profit attributable to equity shareholders</b>	<b>364,131</b>	281,774	<b>+29.2</b>
<b>Net profit margin (%)</b>	<b>20.7%</b>	20.0%	<b>+0.7% point</b>
<b>Earnings per share (RMB yuan)</b>	<b>RMB 0.15 yuan</b>	RMB 0.13 yuan	<b>+15.4</b>
<b>Final dividend per share (HK cent)</b>	<b>HK4.25 cents</b>	N/A	N/A
<b>Special dividend per share (HK cent)</b>	<b>HK4.25 cents</b>	N/A	N/A
<b>Dividend payout ratio (%)</b>	<b>60%</b>	N/A	N/A

[15 April 2009, Hong Kong] BaWang International (Group) Holding Limited ("Bawang Group" or the "Group", HKEx Stock Code: 1338), the leading Chinese brand in the overall shampoo market in China, today announced its annual results for the 12 months ended 31 December 2009.

Benefited from improved market condition and consumer sentiment in China in the second half of 2009, Bawang Group was able to capture market opportunities and achieved encouraging results in 2009. During the year under review, the Group's revenue amounted to RMB1,756.0 million, representing an increase of 24.4% as compared with RMB1,411.2 million in 2008. The sales growth was mainly attributable to the increased sales of Bawang (霸王) branded products and the newly launched Royal Wind (追風) products.

During the year under review, the Group's gross profit increased to RMB1,165.6 million, representing an increase of 29.2% as compared to RMB901.9 million for 2008. Gross profit margin increased from 63.9% in 2008 to 66.4% in 2009, contributed by change in product mix and the decrease of the raw material cost as a percentage of revenue. Profit attributable to equity shareholders increased to RMB364.1 million in 2009, representing an increase of 29.2% from RMB281.8 million in 2008. Net profit margin increased from 20.0% for 2008 to 20.7% for 2009. The Board recommended the payment of a final dividend for the year ended 31 December 2009 of HK4.25 cents per share and an additional special dividend of HK4.25 cents per share, representing a total dividend payout ratio of 60%.

Mr. Chen Qiyuan, Chairman of Bawang Group said, "2009 marks an important milestone in our corporate history following our successful listing in July 2009. After six months of our listing, Bawang Group has become a constituent stock of Hang Seng Composite Index with effect from March 2010. The year of 2009 was a fruitful year for us in terms of brand building with the successful implementation of multi-brand and multi-product strategy. We introduced a number of new brands including Royal Wind (追風) branded Chinese herbal anti-dandruff hair-care series, Herborn (本草堂) branded high-end skincare products and Bawang Men's Series (霸王男士系列), which resulted in strengthened market position and brand recognition in China market and enabled us to further expand our market shares."

The Group adopts a multi-brand portfolio strategy and markets its products to various consumer groups. The Group's core brand, Bawang (霸王), generated RMB1,411.1 million in revenue, which accounted for 80.4% of the Group's total revenue in 2009. Royal Wind (追風) received overwhelming market response since it was launched in May 2009 and recorded a revenue of RMB292.6 million, which accounted for approximately 16.7% of the Group's total revenue in 2009. Litao (麗濤) and Smerry (雪美人) generated a total revenue of RMB52.0 million, which accounted for approximately 2.9% of the Group's total revenue for 2009.

Royal Wind (追風) Chinese herbal anti-dandruff shampoo series was launched in May 2009 in China market. It is the first anti-dandruff shampoo with Chinese herbal ingredients. Royal Wind (追風) series consist of three product categories of products including shampoo, hair care and shower gels products. The Herborn (本草堂) Chinese herbal skincare products series was launched in December 2009. This series of products aims to target at white-collar females aged between 25 and 45 who are with high purchasing power and pursue a healthy and natural lifestyle. The Group is making good progress in building up the sales channels for the Herborn (本草堂) Chinese herbal series in department stores and foreign supermarkets. The Group launched Bawang Men's Series (霸王男士系列), a new series under Bawang (霸王) brand in late 2010. It is the first high-end professional Chinese herbal shampoo and hair-care series introduced in China market. This series consist of three categories of products including shampoo, hair-care and shower gel products.

During the year under review, the Group continued to implement innovative and effective branding and multi-faceted marketing strategy to further strengthen its brand awareness and product exposure to the general public. It has implemented marketing strategies through various channels including television commercials and sponsorship of television programs, printed advertisements, as well as various in-store marketing activities and roadshows. Apart from Mr. Jackie Chan, who acts as the brand ambassador of Bawang (霸王) branded products as well as Bawang Men's Series (霸王男士系列) launched in late 2009, the Group also strategically selected another renowned celebrity, Ms. Faye Wong, to be the image and brand ambassador of Royal Wind (追風) as well as Herborn (本草堂) branded products in 2009.

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Bawang Group established a nationwide distribution and retail network and maintained strong and stable relationship with distributors and KA retailers. As of 31 December 2009, Bawang Group has a distribution network comprised 586 and 458 distributors for Bawang (霸王) and Royal Wind (追風) branded products respectively, 48 KA retailers for Bawang and 34 KA retailers for Royal Wind, covering 24 provinces and 4 municipalities in China as well as Hong Kong, Macao and Singapore. The Group also launched its products in Malaysia, Myanmar and Thailand during the year under review. Sales to these markets outside the PRC accounted for 4.5% of the Group's total revenue in 2009.

Looking forward, the Group will continue to invest in Chinese herbal household and personal care products to strengthen the Group's leading position and further increase its market shares. The Group plans to launch a new branded herbal drink product series known as "Bawang Herbal Drink" (霸王涼茶) in late April 2010. Mr Ronnie Yan (甄子丹先生) has been appointed as the brand ambassador of this branded product series. The Group may further launch a new branded Chinese herbal household cleaning product series later this year. Upon successful launching of these two new products series to the market, the Group will maintain a more comprehensive product portfolio comprising three major categories namely personal care, beverage, and household care products.

Market diversification is another key strategy that the Group pursues. For overseas market development, the Group will enter Brunei and the Middle East in 2010 and continue to explore potential markets in overseas countries. For domestic market development, the Group has recently expanded geographical coverage into two provinces in western region including Qinghai and Ningxia, making the distribution network of the Group covers almost every province and/or municipality in China. It will continue to explore business opportunities that may involve potential acquisition of HPC related business to either supplement its existing business and/or fit into the long term business development strategies of the Group.

As disclosed in the Prospectus, the Group plans to lease a new production premises located in Baiyun District, Guangzhou, with an estimated gross floor area of approximately 75,000 square meters. Phase I of the new premises will be available for use in 2010 with estimated annual production capacity for shampoo and hair-care products to increase by 100,000 metric tons to approximately 200,000 metric tons.

Furthermore, the Group will expand into upstream business of raw materials plantation. It has recently leased a piece of land of approximately 500 Chinese acres in area for Chinese herbal plantation in Guangdong province. The site preparation work is in progress. When the demonstrative plantation of Chinese herb is in operations in 2011, the Group will adopt the concept of "Good Agriculture Practices (GAP)" for training and development of the sub-contracting farmers to efficiently expand the planting area and enhance the yield of Chinese herbs. The Group may get the Chinese herbs from its own plantations for production as early as 2011.

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Mr. Chen concluded, "We are confident that with the continuous development and growth in China's economy, consumer sentiment will remain strong in 2010, which will stimulate the demand for quality personal hygiene products. Leveraging on our strong fundamentals and competitive advantages, we are confident in sustaining our leadership in the Chinese herbal HPC products market in China. We strive to become a global leader of branded Chinese herbal HPC products and committed to bringing the best returns to our investors."

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