

For Immediate Release



BaWang International (Group) Holding Limited

BaWang Group Announces to Dismiss Appeal against Next Magazine

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Product Quality Recognised and Reassured Future Focus on Business Development

(23 Jun 2016, Hong Kong) Chinese herbal shampoo and personal care product brand owner **BaWang International (Group) Holding Limited** (“BaWang” or the “Company”, stock code: 1338) and its indirect subsidiary, BaWang (Guangzhou) Company Limited, announce today that it has filed a request for dismissal of the appeal regarding the libel lawsuit against Next Magazine Publishing Ltd. (“Next Magazine”).

Mr. Chen Qiyuan, Chairman of BaWang said, “The judgment handed down by the Court of First Instance on 23 May 2016 affirmed that “BaWang Shampoo’s product safety is supported by scientific research”. While it has brought justice to us and our products, we are disappointed about the compensation amount which carries no more than symbolic meaning. Such an amount by no means matches the corporate and brand reputation lost we have suffered over the course of the last six years. Nevertheless, after repeated review and evaluation, the Board of Directors plans to pool its financial resources and strengths for business operations and development. We therefore have decided to dismiss the appeal and have submitted a request for dismissal to the High Court today.”

Mr. Chen Qiyuan added, “Looking ahead, we will make all efforts to consolidate our brand position, and implement a balanced strategy of product diversification to become the leader of herbal home and personal care products. We are actively exploring new online and offline sales channels. In terms of product sales, we will develop new CS channels and launch a new baby care brand in the second half of this year to diversify our product portfolio and attract consumers with broadened product lines. Meanwhile, we will also continue to exercise stringent product quality control, reinforce our foothold in the Chinese market and strengthen overseas development, with the provision of safe and effective personal care products for consumers.

Honourable Lok J of the Court of First Instance of Hong Kong handed down the Judgment in favour of BaWang in respect of a libel lawsuit BaWang filed against Next Magazine for its publishing an inaccurate and defamatory report in July 2010. Next Magazine was ordered to pay the Company and BaWang Guangzhou, general damages for libel in an aggregate amount of HK\$3,004,652.50 and 80% of the legal costs of the Company and BaWang Guangzhou in respect of the Legal Proceedings.

The judgment stated that “Next Magazine had adopted a naïve and unprofessional approach in reporting the story” and that Next Magazine’s report in the article was “not a product of responsible journalism’.

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About BaWang

BaWang International (Group) Holding Limited is engaged in the research and development, manufacture and marketing of Chinese herbal shampoo and a range of personal care products. The BaWang brand has been awarded the Well-known Trademark of China in 2007. According to the research results of Euro monitor International, the BaWang brand has been the leading Chinese brand in terms of sales value in the Chinese herbal shampoo and anti-hair-loss shampoo market in the PRC between 2007 and 2013.

BaWang adopts a multi-brand strategy and operates diversified branded products including BaWang Shampoo, Royal Wind, Herborn and Litao. BaWang's distribution network covers 27 provinces and four municipalities in the PRC. Additionally, BaWang branded products are sold in Hong Kong, Singapore, Thailand, Malaysia and Australia.

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