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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 pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions.

Based on the information currently available to the Board, the Group would continue to incur net operating loss for the year ended 31 December 2013. The loss making of the Group in 2013 was primarily due to the decreases in the sales revenue of the continuing business of the Group of approximately 11%. The Directors, however, expect that the amount of net operating loss for the year ended 31 December 2013 would be substantially less than the same for the year ended 31 December 2012 as a result of the combined effect of the cost saving measures adopted by the Group following the adoption of a new value-chain-oriented business model since the second half of 2012. The Directors would like to indicate that our business operations have remained stable notwithstanding the significant downsizing of our work force in May 2013.

The information contained in this announcement is based on the preliminary financial information and the unaudited management accounts of the Group for the year ended 31 December 2013. As the annual results of the Group are yet to be finalised, the actual results of the Group for the year ended 31 December 2013 may be different from the disclosure in this announcement.

Shareholders and potential investors of the Shares are advised to exercise caution in dealing in the Shares.

This announcement is made by the board (the “**Board**”) of directors (the “**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 (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Based on the information currently available to the Board, the Group would continue to incur net operating loss for the year ended 31 December 2013. The loss making of the Group in 2013 was primarily due to the decreases in the sales revenue of the continuing business of the Group of approximately 11%. The Directors, however, expect that the amount of net operating loss for the year ended 31 December 2013 would be substantially less than the same for the year ended 31 December 2012 as a

result of the combined effect of the cost saving measures adopted by the Group following the adoption of a new value-chain-oriented business model since the second half of 2012. The Directors would like to indicate that our business operations have remained stable notwithstanding the significant downsizing of our work force in May 2013.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2013 for the review by the audit committee of the Board. The information contained in this announcement is based on the preliminary financial information and the unaudited management accounts of the Group for the year ended 31 December 2013. As the annual results of the Group are yet to be finalised, the actual results of the Group for the year ended 31 December 2013 may be different from the disclosure in this announcement.

Further information on the Group's results and performance for the year ended 31 December 2013 are expected to be announced on 28 March 2014 and the related annual report will be published and dispatched to the shareholders of the Company in accordance with the requirements under the Listing Rules.

Shareholders and potential investors of the Shares are advised to exercise caution when dealing in the Shares.

This announcement is made by the order of the Board, and the Directors individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board
BaWang International (Group) Holding Limited
CHEN Qiyuan
Chairman

Hong Kong, 7 March 2014

As of the date of this announcement, the Board comprises three executive Directors, namely Mr. CHEN Qiyuan, Ms. WAN Yuhua, and Mr. WONG Sin Yung, and three independent non-executive Directors, namely Dr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEN Kaizhi.

** For identification purpose only*