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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 UPDATE ON THE RESULTS OF LITIGATION

Reference is made to the voluntary announcement of BaWang International (Group) Holding Limited (the “**Company**”) in relation to the update on litigation published on 18 May 2016.

As disclosed, the board (the “**Board**”) of the directors (the “**Directors**”) of the Company considers that the contents of the relevant article published by Next Magazine Publishing Ltd (the “**Next Magazine**”) on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, the Company commenced legal proceedings (the “**Legal Proceedings**”) in the High Court of Hong Kong in October 2010 against Next Magazine, as the defendant, seeking, *inter alia*, damages and an injunction to restrain Next Magazine from publishing contents or similar contents. The trial of the Legal Proceedings ended on 29 August 2015.

The Board is pleased to announce that on 23 May 2016, the Company received the final judgment handed down by the Court of First Instance of the High Court of Hong Kong in respect of the Legal Proceedings. The Company and its indirect wholly-owned subsidiary, Bawang (Guangzhou) Company Limited (“**Bawang Guangzhou**”) have won the Legal Proceedings.

According to the final judgment, *inter alia*, all the pleaded defences raised by Next Magazine in relation to the libel claim of the Company and Bawang Guangzhou were rejected by the High Court of Hong Kong, and Next Magazine was ordered by the High Court of Hong Kong to pay the Company and Bawang Guangzhou, general damages for libel in an aggregate amount of HK\$3,004,652.50 (the “**Damages**”). The High Court of Hong Kong also made a costs *order nisi* that Next Magazine shall pay to the Company and Bawang Guangzhou 80% of the legal costs of the Company and Bawang Guangzhou in respect of the Legal Proceedings (the “**Costs**”).

The full version of the judgment of the Legal Proceedings will be made available on the website of the Judiciary of the Hong Kong Special Administrative Region of the People’s Republic of China at www.judiciary.gov.hk.

Under the Hong Kong law, Next Magazine is entitled to appeal against the judgment within 28 days from 23 May 2016, being the date on which judgment was delivered. Although the judgment was awarded in favour of the Company, there are uncertainties regarding the chance of success in its recovery of the Damages and the Costs from Next Magazine.

The Company will keep the Shareholders and the public informed of any material

progress on the above matters by way of further announcement(s) as and when appropriate.

Shareholders and potential investors of the Company are 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, 23 May 2016

As at the date of this announcement, the Board comprises of 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. LI Bida and Mr. CHEUNG Kin Wing.

** For identification purpose only*