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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).

Reference is made to announcement of the Company published on 19 November 2021 on the unaudited financial information for the ten months ended 31 October 2021. The Board wishes to provide an update to the shareholders of the Company that based on the currently available unaudited financial information for the year ended 31 December 2021 (“**FY2021**”), the Group is currently expected to record a net loss of approximately RMB 13.0 million, as compared with a net loss of approximately RMB 4.0 million for the year ended 31 December 2020 (“**FY2020**”).

The Group’s revenue remained relatively stable in FY2021 when compared with FY2020. On the basis of the currently available financial information, a number of factors contributed to the increased net loss in FY2021, among them included increases in rents payable for the Group’s factory and warehouses in FY2021, an increase in social insurance contributions in FY2021 because the temporary reduction and exemption on enterprises social insurance contributions last year was no longer available in FY2020, and the factors mentioned in the announcement of the Company published on 19 November 2021.

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.

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 January 2022

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*