

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 Accredited as “China New High-Technology Enterprise”
Enjoy Preferential Tax Rate

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Won “National Outstanding Contribution Award for External Therapy of Traditional Chinese Medicine”

Acknowledged the Achievements in Applications and Development of Chinese Herbal Medicine

[12 January 2010, Hong Kong] BaWang International (Group) Holding Limited (“Bawang Group” or the “Company”, HKEx Stock Code: 1338), a leading enterprise in Chinese herbal shampoo market in the PRC, announced that Bawang Guangzhou Company Ltd. (“Bawang Guangzhou”), a wholly-owned subsidiary of the Group, was accredited as “China New High-Technology Enterprise” by the Ministry of Science and Technology. Following the successful completion of the prevailing tax holiday, Bawang Guangzhou will enjoy a preferential enterprise income tax rate of 15% (10 percentage points lower than the unified tax rate) in the fiscal year of 2011 by virtue of preferential tax policy for accredited enterprises. It will further enhance the Company’s competitiveness.

Apart from this, Bawang Group has won the “National Outstanding Contribution Award for External Therapy of Traditional Chinese Medicine” in International Conference & Exposition on Traditional Medicine 2009, which serves as an acknowledgement of its achievements in applications and development of Chinese herbal medicine. Furthermore, the Company has successfully registered a number of patents related to Chinese herbs and hair blackening researches, which represents the recognition of significant breakthrough in R&D.

Talking about the strategies on R&D of Chinese herbal medicine, Ms. Wan Yuhua, CEO and Executive Director of Bawang Group said, “The Company will continue to expand into upstream business by construction of a large scale industrial complex near Guangzhou Baiyun International Airport for R&D and manufacture of HPC products as well as Chinese herbal medicine research. Leveraging our new and high technology, we will make use of the advantages and specialty in traditional Chinese herbs to develop advanced and competitive products, so as to further enhance the competitiveness of Chinese herbal HPC products internationally and accelerate the pace of industrialisation and internationalisation of Chinese herbal products.

“Looking forward, we will further increase our R&D efforts to expedite the development of Chinese herbal HPC products. After the launch of ‘Herborn’ branded Chinese herbal skincare product and professional high-end hair-care product line - ‘Bawang Men’s Series’, the Group will continue to apply Chinese traditional herbs in consumer products, and inherit the essence of traditional Chinese herbal medicine going forward. We will continue to extend our product lines and implement multi-product and multi-brand strategies, aiming to become a global leader of branded Chinese herbal HPC products.” said Mr. Chen Qiyuan, Chairman and Executive Director of Bawang Group.

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About Bawang Group

Bawang Group primarily designs, manufactures and markets Chinese herbal shampoo and hair-care products as well as other products such as toothpaste and shower gels. Awarded the Well-known Trademark of China in 2007, BaWang brand has become the leading Chinese brand in the Chinese herbal shampoo market in the PRC. According to Euromonitor, BaWang brand had the largest market share among all Chinese brands in the overall shampoo market in the PRC in terms of retail sales in the first half of 2008 of approximately 7.6%. Its market share in the Chinese herbal shampoo market in the PRC in terms of retail sales in the first half of 2008 was approximately 46.3%, far ahead of the 2nd player. As of 31 December 2008, the Company has an extensive distribution and retail network comprising 567 distributors and 46 KA retailers, covering 24 provinces and four municipalities in the PRC as well as Hong Kong, Macau, Singapore, Myanmar, Thailand and Malaysia.

Apart from BaWang Brand, the Company has introduced a new Royal Wind branded Chinese herbal shampoo and hair-care products and "Herborn" branded Chinese herbal skincare products in May and December 2009 respectively. Bawang Group successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited on 3 July 2009 with the stock code 1338.

Issued by Porda International (Finance) PR Company Limited for and on behalf of **BaWang International (Group) Holding Limited**. For further information, please contact:

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