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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).

Based on the management’s preliminary review of the Group’s operating data for the first ten months of 2024, the management expects that the Group will record a significant decrease in net profits for the first ten months of 2024 as compared with the same period in 2023.

In the first ten months of 2024, the Group has recorded a slight increase in its revenue and maintained a relatively stable gross profit margin as compared with the same period in 2023, which can be attributed to the Group’s efforts to achieve production cost savings from the use of renewable solar energy for our production plants from the beginning of 2024 and also a decrease in depreciation expenses. However, the Group’s consolidated net profit for the first ten months of 2024 is expected to decrease to approximately RMB 5.0 million (representing a decrease of around 64% as compared with the same period of 2023), which is primarily due to (1) increased advertising and promotional expenses spent in the promotion of the Group’s products in various online platforms such as Douyin and JD.com, and also distributors of the conventional channel, (2) increased investment into the Group’s research and development activities, and (3) increased general and administrative expenses such as staff expenses.

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, 15 November 2024

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 Mr. CHEUNG Kin Wing, Dr. LIU Jing and Mr. CHU Tat Hoi

** For identification purpose only*