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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)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE 2016 ANNUAL REPORT OF THE COMPANY

References are made to the annual report of BaWang International (Group) Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 March 2017 (the “**Annual Report**”) and the announcements of the Company dated 11 May 2016 (the “**Announcement**”) and 31 May 2016 all in relation to the subscriptions of shares pursuant to the subscription agreements dated 11 May 2016 entered into between the Company and the subscribers (the “**Subscriptions**”). Unless otherwise stated herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to provide further information on the Annual Report regarding the actual use of the net proceeds from the Subscriptions.

ACTUAL USE OF PROCEEDS OF THE SUBSCRIPTIONS

As disclosed in the Annual Report, the net proceeds of the Subscriptions, after deducting all relevant costs and expenses, were approximately HK\$77.22 million and the Subscriptions were used to (i) repay the shareholders’ loans, and (ii) replenish the general working capital of the Group.

The Company wishes to update our Shareholders and the investing public that, as at the date of the Annual Report, the net proceeds of the Subscriptions were utilised as to approximately HK\$74.49 million to repay the shareholders’ loans and as to approximately HK\$2.73 million for other administration costs and overheads of the Group.

Save as disclosed in this announcement, the remaining contents of the Annual Report remain unchanged.

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

Hong Kong, 21 July 2017

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. LI Bida and Mr. CHEUNG Kin Wing.

** For identification purpose only*