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Boshiwa

BOSHIWA INTERNATIONAL HOLDING LIMITED

博士蛙國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1698)

**ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE
RULES GOVERNING THE LISTING OF SECURITIES
ON THE STOCK EXCHANGE OF HONG KONG LIMITED
AND
INSIDE INFORMATION PROVISIONS UNDER
PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE
PROFIT WARNING
AND
RECENT OPERATION UPDATE**

This announcement is made by Boshiwa International Holding Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROFIT WARNING

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that the Board has conducted a preliminary assessment of the Group’s unaudited management accounts for the six months ended 30 June 2013 (the “**Management Accounts**”) and expect that the turnover of the Group for the six months ended 30 June 2013 may decline significantly as compared with that for the corresponding period in 2012. The Board considers that the expected decline in the Group’s turnover will also adversely affect the profit after tax of the Group for the corresponding period. The Board noted such decline is mainly attributable to, amongst other things, (i) the underperformed

economic environment in the People's Republic of China (the “**PRC**”), (ii) the realignment of shops and operations; and (iii) the administrative expenses and operating costs of the Group which continue to remain high.

The Company is still in the course of compiling the results of the Group for the years ended 31 December 2011 and 31 December 2012, and the interim results of the Group for the six months ended 30 June 2013. The information contained in this announcement is only a preliminary assessment by the Board with reference to the Management Accounts and is not based on any data or information which has been audited or reviewed by the Company's auditors.

RECENT OPERATION UPDATE

The China (Shanghai) Pilot Free Trade Zone (the “**FTZ**”), first of its kind in the PRC, is officially launched on 29 September, 2013. The State Council of the PRC released an overall plan for the development of the FTZ which will be a testing ground for major policy reforms aiming to further free up cross-border trade and investment.

The Shanghai headquarter of the Company is located and has long been established within the FTZ. The Company wishes to confirm that it has been approached by various parties seeking possible business co-operation in light of the Group's long established presence within the FTZ. Although the framework and general rules for the development of the FTZ have been released, it is expected that the details of most measures are to be put in place and be introduced over a period of time. The management will continue to explore the feasibility on any business opportunity that it can capitalize on to supplement the Group's current revenue base in order to maximize shareholders' value. The Company wishes to emphasize that all such discussions are only at a preliminary stage. No agreements have been entered into in respect of any of the possible transaction as at the date of this announcement. The discussions are still in progress and any transaction may or may not proceed.

Trading in the shares of the Company on the Stock Exchange will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in shares of the Company.

By Order of the Board
Boshiwa International Holding Limited
Zhong Zheng Yong
Chairman

Shanghai, 5 November 2013

As at the date of this announcement, the executive Directors are Mr. Zhong Zheng Yong, Ms. Chen Li Ping, and Mr. Chen Pei Qi, the non-executive Director is Mr. Li Shu Jun and the independent non-executive Directors are Mr. Chong Cha Hwa, Dr. Jiang Chang Jian and Mr. Li Zhi Qiang.