**BAOFENG MODERN INTERNATIONAL HOLDINGS COMPANY LIMITED**
**寶峰時尚國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 1121)**

# SALES FOR THE SIX MONTHS ENDED 30 JUNE 2018 AND PROFIT WARNING

This announcement is made by Baofeng Modern International Holdings Company Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rules 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "Board") of directors (the "Directors") of the Company wishes to inform the shareholders and potential investors of the Company that based on preliminary assessment of the Group's unaudited management accounts for the six months ended 30 June 2018 (the "Reporting Period"), the sales of the Group for the Reporting Period amounted to approximately RMB101.7 million, representing an increase of approximately 28.2% when compared to the amount of approximately RMB79.3 million for the corresponding period in 2017. However, the Group is expected to record an increase in loss before tax for the Reporting Period of approximately 40-50% as compared to loss before tax of approximately RMB57.8 million for the corresponding period in 2017. This was mainly attributable to the fair value loss on convertible notes at fair value through profit or loss (''FVTPL'') of approximately RMB4.8 million during the Reporting Period, as compared to the fair value gain on convertible notes and warrants at FVTPL of approximately RMB33.7 million during the corresponding period in 2017. The fair value loss on convertible notes at FVTPL is non-cash accounting treatment and has no effect on the cash flow for the Group's operation.

The Company is still in the process of preparing and finalising the interim results of the Group for the Reporting Period. The information contained in this announcement is a preliminary assessment made by the Board based on the information currently available to the Group and such information has not yet been confirmed or reviewed by the audit committee of the Company, and the actual results of the Group for the Reporting Period may be different from what are disclosed herein.

Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the Reporting Period which is expected to be issued on or before 31 August 2018.

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

On behalf of the Board
**Baofeng Modern International Holdings Company Limited**
**Zheng Jingdong**
*Chairman*

Hong Kong, 14 August 2018

*As at the date of this announcement, the executive Directors are Mr. Zheng Jingdong and Mr. Leung Tsz Chung; the non-executive Director is Ms. Lin Weihuan; and the independent non-executive Directors are Professor Zhao Jinbao, Mr. Chen Shaohua and Ms. An Na.*