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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)

UPDATE ON 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).

Reference is made to the announcement of the Company dated 14 August 2018 in relation to the sales for the six months ended 30 June 2018 and profit warning (the "**Announcement**"). Unless otherwise stated herein, capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Group was expected to record an increase in loss before tax for the Reporting Period of approximately 40-50% as compared to the loss before tax of approximately RMB57.8 million for the corresponding period in 2017. The Board wishes to update the shareholders and potential investors that upon further review on the unaudited management accounts of the Group for the Reporting Period, the amortisation of intangible assets of the Group is expected to decrease from approximately RMB63.3 million for the corresponding period in 2017 to approximately RMB36.3 million for the Reporting Period, which was arising from the decrease in net carrying amount of the intangible assets after the impairment loss of approximately RMB537.3 million in 2017. As a result of the decrease in amortisation of intangible assets, the Group is expected to record a slightly decrease in loss before tax as compared to the corresponding period in 2017 instead.

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 30 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, 22 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.