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寶源控股有限公司
Bao Yuan Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code 692)

PROFIT WARNING

The announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board would like to inform the shareholders of the Company that it is expected that the unaudited consolidated loss of the Group for the six months ended 30 June 2011 may show an increase as compared with that of the corresponding period in 2010.

Investors and shareholders of the Company are urged to exercise caution when dealing in the shares of the Company.

The announcement is made by Bao Yuan Holdings Limited (the “Company”) and its subsidiaries (the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

After preliminary review by the Company’s management based on the information currently available, the board of directors of the Company (the “Board”) would like to inform the shareholders of the Company that it is expected that the unaudited consolidated loss of the Group for the six months ended 30 June 2011 may show an increase as compared with that in 2010. Such increase was mainly due to the decrease in other income and decrease in turnover with the increase of production cost in garment sectors.

The profit warning announcement is only based on preliminary unaudited management accounts of the Group for the six months ended 30 June 2011. The detailed financial information will be published in the forthcoming interim results announcement and interim report of the Company.

Investors and shareholders of the Company are urged to exercise caution when dealing in the shares of the Company.

By Order of the Board
Bao Yuan Holdings Limited
Wong Man Pan
Executive Director

Hong Kong, 4 August 2011

As at the date of this announcement, the Board comprises four executive Directors namely, Mr. Yiu Kwok Ming, Tommy, Mr. Tsang King Sun, Mr. Yim Hin Keung and Mr. Wong Man Pan; and three non-executive Directors namely, Mr. Chan Hon Yuen, Mr. Liang Jin An and Mr. Ng Lok Kei.