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Bao Shen Holdings Limited

寶申控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8151)

PROFIT WARNING

This announcement is made by Bao Shen Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under 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 would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2019 (the “**Period**”) currently available to the Board, the Group is expected to record a substantial decrease in its profit for the period and attributable to owners of the Company by approximately 90%, as compared with the corresponding period in 2018 (the “**Corresponding Period**”) mainly due to:

- 1) the decrease in revenue of approximately RMB5.6 million for the Period from RMB68.6 million of the Corresponding Period, which mainly due to decrease in sales to the existing customers; and
- 2) the decrease in government grants received in relation to the listing of the shares of the Company on GEM of approximately RMB4.0 million.

The information contained in this announcement is only based on a preliminary review by the Board on the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2019 and other information currently available to the Board, which have neither been reviewed by the Board’s audit committee nor audited by the independent auditors of the Company, and is subject to possible adjustments. Details of the financial information and performance of the Group for the nine months ended 30 September 2019 will be disclosed in the quarterly results announcement of the Company for the nine months ended 30 September 2019, which is expected to be approved and published on 12 November 2019.

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

By order of the Board
Bao Shen Holdings Limited
Fan Baocheng
Chairman and Executive Director

Chuzhou City, the PRC, 31 October 2019

As at the date of this announcement, the executive Directors are Mr. Fan Baocheng and Mr. Zhou Zhen Dong, and the independent non-executive Directors are Mr. Liang Chi, Mr. Ho Ka Chun and Mr. Chan Chun Chi.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Stock Exchange's website at www.hkgem.com on the "Latest Company Announcements" page for 7 days from the date of its posting and on the Company's website at www.baoshen.com.hk.