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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 year ended 31 December 2019 (the “**Year**”) currently available to the Board, the Group expects to record a loss attributable to owners of the Company in the range of RMB0.5 million to RMB1.5 million for the Year as compared to a profit attributable to owners of the Company for the year ended 31 December 2018 (the “**Corresponding Period**”) mainly due to:

- 1) Decline in gross profit due to increase in production costs including but not limited to raw material costs, direct staff costs and manufacturing overhead costs of the Group’s products; 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 Year 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. The final results of the Group for the Year may be different which is disclosed herein. Details of the financial information and performance of the Group for the Year will be disclosed in the annual results announcement of the Company for the Year, which is expected to be published by the end of March 2020.

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, 10 March 2020

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.