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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)

(1) PROFIT WARNING; (2) DELAY IN PUBLICATION OF 2022 ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT; AND (3) SUSPENSION OF TRADING

This announcement is made by Bao Shen Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under 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 10 March 2023 in relation to the inside information announcement (the “**Incident**”). Unless otherwise stated, capitalised terms used herein shall have the same meaning as ascribed to them in the Incident.

(1) PROFIT WARNING

The Board wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the Group’s unaudited consolidated management accounts made available to the Board, the loss attributable to the owners of the Company for the year ended 31 December 2022 (“**FY2022**”) is expected to be not less than RMB7.4 million, as compared to the loss attributable to the owners of the Company of approximately RMB3.7 million for the year ended 31 December 2021 (“**FY2021**”).

Based on an analysis of the information currently available to the Group, the increase in the expected loss for FY2022 as compared to FY2021 is primarily attributable to:

- (i) revenue for FY2022 decreased by approximately 15% to 20% when compared with FY2021, which is mainly due to the economic slowdown and disrupted business activities caused by the stricter lock-down measure implemented by the government authorities in response to the resurgence of COVID-19 pandemic in various cities in the PRC; and
- (ii) the gross profit for FY2022 decreased by 10% to 15%, which was primarily attributable to the decrease in the revenue while certain fixed cost was unavoidable.

The Company is still in the process of finalising the unaudited consolidated results of the Group for FY2022. This profit warning announcement is only an assessment by the Board based on the preliminary review of information currently available to the Board, which has not been reviewed nor audited by the Company's audit committee or the auditors of the Company, HLB Hodgson Impey Cheng Limited (the "**Auditors**"). Actual results of the Group for FY2022 may be different from those disclosed in this announcement.

(2) DELAY IN PUBLICATION OF 2022 ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT

Under Rules 18.48A and 18.49 of the GEM Listing Rules, the Company was required to publish the announcement in relation to the preliminary audited annual results of the Group for FY2022 (the "**2022 Audited Annual Results**") and despatch its annual report for the same financial year (the "**2022 Annual Report**") to the shareholders of the Company (the "**Shareholders**") on a date no later than three months after the end of the financial year of the Company, i.e. on or before 31 March 2023. However, due to the Incident, the Company is still in the process of providing information to the Auditors for completing the audit procedures.

In light of the Incident, the Company considers that the Incident may have impact on the 2022 Audited Annual Results, and would require additional time to gather further information in relation to the Incident and assess the impact thereof on the financial results of the Group for FY2022. In this regard, the publication of the 2022 Audited Annual Results will be delayed until more information relating to the Incident can be obtained.

After due and careful consideration, the Board is of the view that it would not be appropriate for the Company to publish its unaudited financial results for FY2022 based on its management accounts which have yet to be agreed with the Auditors at this stage as they may not reflect the complete and accurate financial performance and position of the Company. The Company will work closely with the Auditors to provide the requested information and documents to complete the audit procedures as soon as possible.

Further announcement(s) will be made by the Company in relation to the date of Board meeting to consider and approve, among other matters, the 2022 Audited Annual Results and the date of publication of the 2022 Audited Annual Results as well as any material development as and when appropriate or required in accordance with the GEM Listing Rules.

(3) SUSPENSION OF TRADING

Pursuant to Rule 17.49A of the GEM Listing Rules, the Stock Exchange will normally require suspension of trading in the Company's securities if the Company fails to publish periodic financial information in accordance with the GEM Listing Rules, and the suspension will normally remain in force until the Company publishes an announcement containing the requisite financial information.

Although the Company will work closely with the Auditors to complete the audit procedures as soon as possible, if the Company is not able to publish the 2022 Audited Annual Results on or before 31 March 2023, the Company will need to apply for suspension of trading its shares on the Stock Exchange with effect from 9:00 a.m. on 1 April 2023 until the publication of an announcement in relation to 2022 Audited Annual Results.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult with their professional adviser(s).

By order of the Board
Bao Shen Holdings Limited
Zhou Zhen Dong
Executive Director

Shenzhen City, the PRC, 15 March 2023

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. Ho Ka Chun, Mr. Chan Chun Chi and Mr. Liang 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.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the Company's website at www.baoshen.com.hk.