

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

Offer Price and Net Proceeds

- The Offer Price has been determined at HK\$0.48 per Offer Share plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%.
- Based on the Offer Price of HK\$0.48 per Offer Share, the net proceeds from the Share Offer to be received by the Company and after deducting the underwriting fees and commissions and estimated expenses payable by the Company in relation to the Share Offer, is estimated to be approximately HK\$18.4 million. The Company intends to apply such net proceeds in accordance with the purposes set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Applications under the Public Offer

- A total of 13,626 valid applications have been received pursuant to the Public Offer on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and through the **HK eIPO White Form** service (www.hkeipo.hk) for a total of 3,377,225,000 Public Offer Shares, equivalent to approximately 321.64 times of the total number of 10,500,000 Public Offer Shares initially available for subscription under the Public Offer.
- As the Public Offer Shares initially offered under the Public Offer have been well over-subscribed, the reallocation procedures as described in the section headed “Structure and Conditions of the Share Offer — Reallocation of the Offer Shares between Placing and Public Offer” in the Prospectus have been applied. As the number of Offer Shares validly applied for in the Public Offer represents more than 100 times the number of Offer Shares initially available under the Public Offer, a total number of 42,000,000 Offer Shares have been reallocated from the Placing to the Public Offer. As a result of such reallocation, the final number of the Public Offer Shares is 52,500,000, representing 50% of the total number of the Offer Shares available under the Share Offer.

Placing

- The Placing Shares initially offered under the Placing have been moderately over-subscribed, which are equivalent to approximately 2.06 times of the total number of 94,500,000 Offer Shares initially available to the Placing. The final number of the Placing Shares allocated to 356 placees under the Placing is 52,500,000 Placing Shares, representing 50% of the total number of the Offer Shares initially available under the Share Offer. A total of 173 placees have been allotted five board lots of Placing Shares or less, representing approximately 48.60% of the total number of placees under the Placing. A total of 2,050,000 Placing Shares have been allotted to these placees, representing approximately 3.90% of the 52,500,000 Placing Shares after reallocation to the Public Offer.
- The Offer Size Adjustment Option has not been exercised by the Joint Bookrunners (for themselves and on behalf of the Placing Underwriters) and has lapsed.
- The Directors confirm that, to the best of their knowledge, information and belief and having made reasonable enquiries, all placees and their ultimate beneficial owners under the Placing are independent and not core connected persons of the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates within the meaning of the GEM Listing Rules, and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/its name or otherwise held by him/it. None of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Co-Lead Manager and the Underwriters or their respective close associates or connected clients (as defined in Rule 10.12(4) of the GEM Listing Rules) has taken up any Offer Shares for its own benefit under the Share Offer. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer. None of the placees under the Placing, individually, will become a

substantial shareholder (as defined in the GEM Listing Rules) of the Company after completion of the Capitalisation Issue and the Share Offer. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Share Offer, the Company will comply with Rule 11.23(7) of the GEM Listing Rules and the public float of the Company will be at least 25% of the enlarged issued share capital of the Company, and the three largest public shareholders of the Company do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rule 11.23(8) of the GEM Listing Rules. The Directors confirm that there will be at least 100 Shareholders at the time of the Listing in compliance with Rule 11.23(2)(b) of the GEM Listing Rules.

Results of Allocation

- The results of allocations under the Public Offer, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where appropriate) and the number of Public Offer Shares successfully applied for under **WHITE and YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and through the **HK eIPO White Form** service's designated website at www.hkeipo.hk will be made available at the times and dates and in the manner specified below:
 - in the announcement to be posted on our Company's website at www.baoshen.com.hk and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m., Friday, 20 April 2018;
 - from the designated results of allocations website at www.tricor.com.hk/ipo/result with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Friday, 20 April 2018 to 12:00 midnight on Thursday, 26 April 2018;
 - by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, 20 April 2018 to Wednesday, 25 April 2018 (excluding Saturday and Sunday); and
 - in the special allocation results booklets which will be available for inspection during opening hours from Friday, 20 April 2018 to Monday, 23 April 2018 at all the receiving bank's designated branches.

Despatch/Collection of Share Certificate(s) and Refund Cheque(s)

- Applicants who have applied for 1,000,000 Public Offer Shares or more on **WHITE** Application Forms and have provided all information required by their Application Forms, and applicants who have applied for 1,000,000 Public Offer Shares or more through the **HK eIPO White Form** service by submitting electronic applications through the designated website at www.hkeipo.hk, and whose applications are wholly or partially successful, may collect their share certificate(s) (where applicable) from Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, 20 April 2018 or such other date as notified by the Company.
- Share certificates for Public Offer Shares allotted to applicants using **WHITE** Application Forms which have applied for fewer than 1,000,000 Public Offer Shares, and applicants who have applied for fewer than 1,000,000 Public Offer Shares through the **HK eIPO White Form** service by submitting electronic applications through the designated website at www.hkeipo.hk, or which are either not available for personal collection or which are available but are not collected in person, are expected to be despatched to those entitled to the address specified in the relevant Application Form by ordinary post at their own risk on or Friday, 20 April 2018.
- Wholly or partially successful applicants on **YELLOW** Application Form will have their share certificate(s) issued in the name of HKSCC Nominees and deposited into CCASS for credit to their CCASS Investor Participant stock accounts or their designated CCASS Participant's stock account as instructed by the applicant in the **YELLOW** Application Form on Friday, 20 April 2018 or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.
- Share certificate(s) for Public Offer Shares allotted to applicants giving **electronic application instructions** to HKSCC via CCASS will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants as instructed by them electronically, on Friday, 20 April 2018, or, on any other date determined by HKSCC or HKSCC Nominees.
- Applicants applying through a designated CCASS Participant (other than a CCASS Investor Participant) should check the number of Public Offer Shares allocated to them with that CCASS Participant.

- Applicants on **WHITE** or **YELLOW** Application Forms who have applied for 1,000,000 Public Offer Shares or more and have provided all information required by their **WHITE** or **YELLOW** Application Forms, may collect their refund cheque(s) (where applicable) from Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, 20 April 2018 or such other date as notified by the Company.
- Refund cheques for partially successful or unsuccessful applicants (where applicable) on **WHITE** or **YELLOW** Application Forms and surplus application monies which are either not available for personal collection or which are available but are not collected in person, are expected to be despatched by ordinary post to those entitled at their own risks on Friday, 20 April 2018.
- Applicants who have applied by giving **electronic application instructions** to HKSCC to apply on their behalf, all refunds are expected to be credited to their designated bank accounts (if the applicants have applied as a CCASS Investor Participant) or the designated bank account of their broker or custodian on Friday, 20 April 2018.
- Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. on Monday, 23 April 2018, provided that the Share Offer has become unconditional and the right of termination described in the section headed "Underwriting — Underwriting arrangements, commissions and expenses — Grounds for termination" in the Prospectus has not been exercised.
- The Company will not issue any temporary documents of title in respect of the Offer Shares or any receipts for sums paid on application for the Offer Shares.

Commencement of Dealings

- Assuming that the Share Offer becomes unconditional in all aspects at or before 8:00 a.m. on Monday, 23 April 2018, dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, 23 April 2018. The Shares will be traded in board lots of 5,000 Shares. The stock code of the Shares will be 8151.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

OFFER PRICE

The Offer Price has been determined at HK\$0.48 per Offer Share plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%.

NET PROCEEDS FROM THE SHARE OFFER

Based on the Offer Price of HK\$0.48 per Offer Share, the net proceeds from the Share Offer to be received by the Company and after deducting the underwriting fees and commissions and estimated expenses in relation to the Share Offer, is estimated to be approximately HK\$18.4 million. The Company currently intends to apply such net proceeds as follows:

- Approximately HK\$4.1 million (approximately 22.1% of the total estimated net proceeds) will be used for increasing production capacity of stamping components by acquisition of automatic roll manufacturing lines, stamping machines and the moulds required, and the related additional labour cost;
- Approximately HK\$4.2 million (approximately 22.7% of the total estimated net proceeds) will be used for increasing production capacity of powder-coating peripheral components by acquisition of one new processing line and the related additional labour cost;
- Approximately HK\$2.7 million (approximately 14.9% of the total estimated net proceeds) will be used for increasing production capacity of spray-painting components by acquisition of one new processing line and the related additional labour cost;
- Approximately HK\$6.7 million (approximately 36.2% of the total estimated net proceeds) will be used for repayment of part of the Group's bank loans; and
- Approximately HK\$0.7 million (approximately 4.1% of the total estimated net proceeds) will be used for general working capital purposes.

Please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus for further details of the Company's intended use of net proceeds from the Share Offer.

APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED UNDER THE PUBLIC OFFER

The Company announces that Offer Shares initially offered under the Public Offer have been well over-subscribed. At the close of the application lists at 12:00 noon on Thursday, 12 April 2018, a total of 13,626 valid applications including

application on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and under the **HK eIPO White Form** service (www.hkeipo.hk), for a total of 3,377,225,000 Public Offer Shares have been received, equivalent to approximately 321.64 times of the total number of 10,500,000 Public Offer Shares initially available for subscription under the Public Offer.

One application has been rejected due to a bounced cheque. Two applications have been rejected due to rejection of electronic payment instruction. 25 multiple or suspected multiple applications have been identified and rejected. No invalid application has been identified. No application for more than 100% of the Public Offer Shares initially available under the Public Offer (that is, more than 10,500,000 Public Offer Shares) has been identified.

Due to the over-subscription in the Public Offer, the reallocation procedures as described in the section headed “Structure and Conditions of the Share Offer — Reallocation of the Offer Shares between Placing and Public Offer” in the Prospectus have been applied. As the number of Offer Shares validly applied for in the Public Offer represents more than 100 times the number of Offer Shares initially available under the Public Offer, a total number of 42,000,000 Offer Shares have been reallocated from the Placing to the Public Offer. As a result of such reallocation, the final number of the Public Offer Shares is 52,500,000, representing 50% of the total number of the Offer Shares initially available under the Share Offer.

PLACING

The Placing Shares initially offered under the Placing have been moderately over-subscribed which are equivalent to approximately 2.06 times of the total number of 94,500,000 Offer Shares initially available under the Placing. The final number of the Placing Shares allocated to 356 placees under the Placing is 52,500,000 Placing Shares, representing 50% of the total number of the Offer Shares initially available under the Share Offer. A total of 173 placees have been allotted five board lots of Placing Shares or less, representing approximately 48.60% of the total number of placees under the Placing. A total of 2,050,000 Placing Shares have been allotted to these placees, representing approximately 3.90% of the 52,500,000 Placing Shares after reallocation to the Public Offer.

The Offer Size Adjustment Option has not been exercised by the Joint Bookrunners (for themselves and on behalf of the Placing Underwriters) and has lapsed.

Pursuant to the Placing, 52,500,000 Placing Shares have been conditionally allocated to a total of 356 selected professional, institutional and other investors. The distribution of the Placing Shares is set forth as below:

	Aggregate number of Placing Shares allocated under the Placing	Approximate aggregate % of the total number of Placing Shares allocated under the Placing	Approximate aggregate % of the total number of Offer Shares under the Share Offer	Approximate aggregate % of the entire issued share capital immediately upon completion of the Share Offer and Capitalisation Issue
Top Placee	3,100,000	5.90%	2.95%	0.74%
Top 5 Placees	8,805,000	16.77%	8.39%	2.10%
Top 10 Placees	14,505,000	27.63%	13.81%	3.45%
Top 25 Placees	27,650,000	52.67%	26.33%	6.58%

Number of Placing Shares allocated

Number of placees

5,000 to 50,000	211
50,001 to 100,000	53
100,001 to 500,000	63
500,001 to 1,000,000	12
1,000,001 to 2,000,000	16
2,000,001 or above	<u>1</u>
	<u><u>356</u></u>

The Directors confirm, to the best of their knowledge, information and belief and having made reasonable enquiries, all placees and their ultimate beneficial owners under the Placing are independent and not core connected persons of the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates within the meaning of the GEM Listing Rules, and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/its name or otherwise held by him/it. None of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Co-Lead Manager, and the Underwriters or their respective close associates or connected clients (as defined in Rule 10.12(4) of the GEM Listing Rules) has taken up any Offer Shares for its own benefit under the Share Offer. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer. None of the placees under the Placing will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company after the completion of the Capitalisation Issue and the Share Offer.

MINIMUM PUBLIC FLOAT REQUIREMENT

The Directors confirm that, immediately after completion of the Capitalization Issue and the Share Offer, the Company will comply with Rule 11.23(7) of the GEM Listing Rules and the public float of the Company will be at least 25% of the enlarged issue share capital of the Company and the three largest public shareholders of the Company do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rule 11.23(8) of the GEM Listing Rules. The Directors confirm that there will be at least 100 Shareholders at the time of the Listing in compliance with Rule 11.23(2)(b) of the GEM Listing Rules.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

BASIS OF ALLOTMENT UNDER THE PUBLIC OFFER

Subject to the satisfaction of the conditions set out in the section headed “Structure and Conditions of the Share Offer — Conditions of the Share Offer” in the Prospectus, valid applications made by the public on **WHITE** and **YELLOW** Application Forms and by **electronic application instructions** given to HKSCC via CCASS and under the **HK eIPO White Form** service (www.hkeipo.hk) will be conditionally allocated on the basis set out below:

Number of Public Offer Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of Public Offer Shares applied for
5,000	5,811	3,487 out of 5,811 applicants to receive 5,000 shares	60.01%
10,000	1,172	715 out of 1,172 applicants to receive 5,000 shares	30.50%
15,000	1,954	1,212 out of 1,954 applicants to receive 5,000 shares	20.68%
20,000	1,477	932 out of 1,477 applicants to receive 5,000 shares	15.78%
25,000	119	76 out of 119 applicants to receive 5,000 shares	12.77%
30,000	112	73 out of 112 applicants to receive 5,000 shares	10.86%
35,000	61	41 out of 61 applicants to receive 5,000 shares	9.60%
40,000	96	66 out of 96 applicants to receive 5,000 shares	8.59%
45,000	56	39 out of 56 applicants to receive 5,000 shares	7.74%
50,000	204	145 out of 204 applicants to receive 5,000 shares	7.11%
60,000	90	66 out of 90 applicants to receive 5,000 shares	6.11%
70,000	31	23 out of 31 applicants to receive 5,000 shares	5.30%
80,000	31	24 out of 31 applicants to receive 5,000 shares	4.84%
90,000	758	616 out of 758 applicants to receive 5,000 shares	4.51%
100,000	250	210 out of 250 applicants to receive 5,000 shares	4.20%
200,000	227	193 out of 227 applicants to receive 5,000 shares	2.13%
300,000	296	255 out of 296 applicants to receive 5,000 shares	1.44%
400,000	54	47 out of 54 applicants to receive 5,000 shares	1.09%
500,000	54	48 out of 54 applicants to receive 5,000 shares	0.89%
600,000	96	87 out of 96 applicants to receive 5,000 shares	0.76%
700,000	27	25 out of 27 applicants to receive 5,000 shares	0.66%
800,000	28	27 out of 28 applicants to receive 5,000 shares	0.60%
900,000	24	5,000 shares	0.56%
1,000,000	191	5,000 shares plus 13 out of 191 applicants to receive an additional 5,000 shares	0.53%
2,000,000	80	5,000 shares plus 57 out of 80 applicants to receive an additional 5,000 shares	0.43%

Number of Public Offer Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of Public Offer Shares applied for
3,000,000	72	10,000 shares plus 34 out of 72 applicants to receive an additional 5,000 shares	0.41%
4,000,000	28	15,000 shares plus 6 out of 28 applicants to receive an additional 5,000 shares	0.40%
5,000,000	20	15,000 shares plus 18 out of 20 applicants to receive an additional 5,000 shares	0.39%
6,000,000	12	20,000 shares plus 7 out of 12 applicants to receive an additional 5,000 shares	0.38%
7,000,000	10	25,000 shares plus 2 out of 10 applicants to receive an additional 5,000 shares	0.37%
8,000,000	5	25,000 shares plus 4 out of 5 applicants to receive an additional 5,000 shares	0.36%
9,000,000	2	30,000 shares plus 1 out of 2 applicants to receive an additional 5,000 shares	0.36%
10,000,000	4	30,000 shares plus 3 out of 4 applicants to receive an additional 5,000 shares	0.34%
10,500,000	174	30,000 shares plus 162 out of 174 applicants to receive an additional 5,000 shares	0.33%
	<u>13,626</u>		

A total of 13,626 valid applications have been received pursuant to the Public Offer on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and through the **HK eIPO White Form** service (www.hkeipo.hk), and the final number of Public Offer Shares is 52,500,000 Offer Shares, representing 50% of the total number of the Offer Shares initially available under the Share Offer and being allotted to 9,029 allottees under the Public Offer. The final number of Placing Shares is 52,500,000 Offer Shares, representing 50% of the total number of the Offer Shares initially available under the Share Offer and allocated to a total of 356 placees.

RESULTS OF ALLOCATION

The results of allocations under the Public Offer, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where appropriate) and the number of Public Offer Shares successfully applied for under **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and through the **HK eIPO White Form** service (www.hkeipo.hk) will be made available at the times and dates and in the manner specified below:

- in the announcement to be posted on our Company's website at www.baoshen.com.hk and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m., Friday, 20 April 2018;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Friday, 20 April 2018 to 12:00 midnight on Thursday, 26 April 2018;
- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, 20 April 2018 to Wednesday, 25 April 2018 (excluding Saturday and Sunday);
- in the special allocation results booklets which will be available for inspection during opening hours from Friday, 20 April 2018 to Monday, 23 April 2018 at all the receiving bank's designated branches set out below:

DBS Bank (Hong Kong) Limited

District	Branch Name	Address
Hong Kong Island	United Centre Branch	Shops 1015-1018 on 1/F & Shops 2032-2034 on 2/F, United Centre, 95 Queensway, Admiralty
	Happy Valley Branch	G/F, 18A-22 King Kwong Street, Happy Valley
Kowloon	Mei Foo Branch	Shops N26A & N26B, Stage V Mei Foo Sun Chuen, 10 & 12 Nassau Street
New Territories	Kwai Chung Branch	G/F, 1001 Kwai Chung Road, Kwai Chung