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HK1803

北京體育文化產業集團有限公司
BEIJING SPORTS AND ENTERTAINMENT INDUSTRY GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1803)

PROFIT WARNING

This announcement is made by Beijing Sports and Entertainment Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on a preliminary assessment by the Company’s management on the unaudited consolidated management accounts of the Company for the six months period ended 30 June 2022 (the “**Current Period**”) and assessment of the latest information currently available by the Board, it is expected that the Group will record a greater loss approximately in the range of HK\$20 million to HK\$30 million and a loss attributable to the owners of the Company approximately in the range of HK\$15 million to HK\$20 million for the Current Period as compared to the loss of approximately HK\$1.1 million and the loss attributable to the owners of the Company of HK\$1.2 million for the six months ended 30 June 2021 (the “**Corresponding Period**”).

The primary reasons for the increase in loss were mainly attributable to (i) a significant decrease in revenue contribution from the sports and entertainment segment (i.e. engaging in air dome construction, operation and management and other related businesses such as sports industry related consultation and management services) by more than approximately HK\$60 million or 70% owing to the reduction in number and amount of new construction projects entered and suspended or delayed construction progress on the existing projects as a result of the resurgence of Covid-19 outbreak across various provinces in the People's Republic of China (the "PRC") in the Current Period as compared with much more stable and favorable operating and market situation in the Corresponding Period, and hence the gross profit amount dropped more than HK\$10 million accordingly; (ii) the recognition of an impairment loss on corporate bonds of approximately HK\$5 million as a result of the turbulent financial market in Hong Kong and the PRC; and (iii) decrease in gain on foreign exchange difference in Renminbi denominated monetary assets as result of a depreciation of Renminbi against Hong Kong dollars.

The Company is still in the process of finalising the Group's interim results for the Current Period. The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group with reference to the information currently available to the Board which may be subject to amendments or adjustments, and have not been reviewed or confirmed by the Company's auditors or the audit committee of the Company. The actual financial results of the Group for the Current Period may be different from what is disclosed herein.

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

By order of the Board
Beijing Sports and Entertainment Industry Group Limited
Liu Xue Heng
Chairman

Hong Kong, 10 August 2022

As at the date of this announcement, the executive Directors are Mr. Liu Xue Heng, Mr. Lam Ka Tak and Mr. Hou Gongda; the non-executive Director is Mr. Hu Yebi; and the independent non-executive Directors are Mr. Tse Man Kit, Keith, Mr. Lok Lawrence Yuen Ming, Mr. Xin Luo Lin and Mr. Pan Lihui.