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China Beidahuang Industry Group Holdings Limited

中國北大荒產業集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00039)

PROFIT WARNING

This announcement is made by China Beidahuang Industry Group Holdings Limited (the “**Company**” and 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a net loss after taxation of not less than HK\$48 million for the six months ended 30 June 2022 (the “**Interim Period**”) as compared to the net loss after taxation of approximately HK\$4.4 million of the corresponding period in 2021 (the “**Corresponding Period**”). The expected increase in loss for the Interim Period was primarily attributable to a combination of factors including (i) the decrease in gross profit from HK\$74,672,000 for the Corresponding Period to HK\$53,112,000 for the Interim Period due to the keen market competition which led to the decrease in gross profit margin, (ii) there was no net allowance for expected credit losses reversal on other receivables for the Interim Period as it did have HK\$34,182,000 for the Corresponding Period, (iii) there was no share-based payment for the Interim Period as it did have HK\$17,500,000 for the Corresponding Period, and (iv) the decrease in finance costs as there was no imputed financial cost on convertible bonds for the Interim Period as it did have HK\$8,053,000 for the Corresponding Period.

As the Company is still in the process of preparing its unaudited condensed consolidated results for the Interim Period, the information contained in this announcement is only based on the preliminary assessment by the Board based on the unaudited condensed consolidated management accounts of the Group for the Interim Period and the information currently available to the Company, which have not been reviewed by the audit committee of the Company or reviewed or audited by the external auditors of the Company. The results announcement of the Group for the Interim Period is expected to be published by the Company on 31 August 2022.

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

By Order of the Board
China Beidahuang Industry Group Holdings Limited
Jiang Jianjun
Chairman

Hong Kong, 26 August 2022

As at the date of this announcement, the Executive Directors are Mr. Jiang Jianjun (Chairman), Mr. Ke Xionghan and Mr. Chen Chen; the Non-executive Directors are Mr. Zhao Wanjiang (Vice-chairman), Ms. Ho Wing Yan and Mr. Li Dawei; and the Independent Non-executive Directors are Mr. Chong Cha Hwa, Mr. Yang Yunguang and Mr. Chen Zhifeng.