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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Director(s)**") of Beijing Sports and Entertainment Industry Group Limited (the "**Company**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026, together with comparative figures for the corresponding period in 2025. The interim condensed consolidated results have not been audited, but have been reviewed by the audit committee of the Company.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2026

		Six-month period ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	4	**76,504**	70,388
Cost of sales and costs of construction services		**(61,972)**	(68,821)
Gross profit		**14,532**	1,567
Other income and gains and losses	4	**23,806**	5,759
Selling and distribution expenses		**(6,782)**	(7,837)
Administrative expenses		**(22,697)**	(20,894)
(Impairment)/reversal of impairment of financial and contract assets	5	**(4,371)**	2,170
Other expenses		**(13,156)**	(677)
Finance costs		**(1,135)**	(1,101)
Loss before tax	5	**(9,803)**	(21,013)
Income tax (expense)/credit	6	**(82)**	63
Loss for the period		**(9,885)**	(20,950)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
For the six-month period ended 30 June 2026

		Six-month period ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss in subsequent periods:			
Debt investments at fair value through other comprehensive income:			
Changes in fair value		**577**	(1,667)
Reclassification adjustments for items included in profit or loss:			
(Reversal of impairment)/impairment		**(145)**	2,063
		432	396
Reclassification of foreign currency translation reserve upon disposals of foreign operations		**(471)**	–
Exchange differences on translation of foreign operations		**4,857**	1,212
Other comprehensive income for the period		**4,818**	1,608
Total comprehensive loss for the period		**(5,067)**	(19,342)
Loss attributable to:			
Owners of the Company		**(1,355)**	(13,153)
Non-controlling interests		**(8,530)**	(7,797)
		(9,885)	(20,950)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**1,250**	(12,334)
Non-controlling interests		**(6,317)**	(7,008)
		5,067	(19,342)
Loss per share attributable to owners of the company			
Basic and diluted *(HK cent)*	8	**(0.09)**	(0.93)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026 *HK$'000* (Unaudited)**	31 December 2025 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**57,234**	58,205
Investment properties		**13,998**	14,060
Right-of-use assets		**20,109**	18,870
Other intangible assets		**277**	303
Interest in a joint venture		**1,991**	1,991
Prepayments, other receivables and other assets		**325**	336
Contract assets		**10,351**	7,850
Financial assets at fair value through profit or loss		**304**	292
Deferred tax assets		**4,499**	4,399
Total non-current assets		**109,088**	106,306
Current assets			
Inventories		**60,975**	51,941
Contract assets		**39,319**	48,232
Trade and bills receivables	9	**49,382**	36,728
Prepayments, other receivables and other assets		**29,963**	30,327
Debt investments at fair value through other comprehensive income		**9,379**	8,899
Financial assets at fair value through profit or loss		**5,389**	2,569
Restricted bank deposits	10	**47,557**	52,616
Cash and bank balances		**73,376**	59,028
Total current assets		**315,340**	290,340

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
30 June 2026

	Notes	**30 June 2026** **HK$'000** **(Unaudited)**	31 December 2025 HK$'000 (Audited)
Current liabilities			
Trade and bills payables	11	**131,188**	128,753
Other payables and accruals		**64,258**	84,922
Provision		**2,685**	2,582
Amounts due to related parties		**1,612**	977
Interest-bearing bank and other borrowings		**87,038**	57,569
Lease liabilities		**444**	104
Tax payable		**6**	6
Total current liabilities		**287,231**	274,913
Net current assets		**28,109**	15,427
Total assets less current liabilities		**137,197**	121,733
Non-current liabilities			
Lease liabilities		**4,595**	4,621
Deferred tax liabilities		**7**	7
Total non-current liabilities		**4,602**	4,628
Net assets		**132,595**	117,105
Equity			
Equity attributable to owners of the Company			
Share capital	12	**8,448**	7,040
Reserves		**101,003**	80,604
		109,451	87,644
Non-controlling interests		**23,144**	29,461
Total equity		**132,595**	117,105

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six-month period ended 30 June 2026

1. CORPORATE INFORMATION

Beijing Sports and Entertainment Industry Group Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 16 January 2012. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Unit 703, 7/F, Pearl Oriental House, 60 Stanley Street, Central, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in sports and entertainment related industry in the People's Republic of China (the "**PRC**") with focus on air dome construction, operation and management.

In the opinion of the directors, the major shareholder of the Company is Beijing Health (Holdings) Limited, which was incorporated in the Cayman Islands, and the shares of which are listed on the Main Board of the Stock Exchange.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six-month period ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirement of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2026.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11
Amendments to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

During the six months ended 30 June 2026 and 2025, the Group principally operates in one business segment, which is sports and entertainment segment engaging in air dome construction, operation and management and other peripheral services such as sports industry related consultation and management services. Other businesses were considered relatively insignificant for the six months ended 30 June 2026 and 2025.

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES

An analysis of revenue is as follows:

	Six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**76,504**	70,388

Disaggregation of revenue from contracts with customers

	Six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Provision of air dome construction services	**76,416**	68,693
Rendering of operation and management services and other sports related services	**–**	1,038
Sale of goods	**88**	657
Total revenue from contracts with customers	**76,504**	70,388
Timing of revenue recognition		
Services/goods transferred at a point in time	**53,154**	51,039
Services transferred over time	**23,350**	19,349
Total revenue from contracts with customers	**76,504**	70,388

Other income and gains and losses

	Six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**164**	305
Other interest income	**966**	1,539
Investment income from:		
– Financial assets at fair value through profit or loss	**65**	359
– Debt investments at fair value through other comprehensive income	**215**	157
Government subsidies	**–**	201
Gross rental income from investment properties under operating leases	**1,610**	2,106
Compensation income	**2,599**	–
Others	**56**	592
	5,675	5,259
Gains and losses		
Loss on foreign exchange difference, net	**(406)**	(227)
Fair value gain on financial assets at fair value through profit or loss	**315**	285
Gain/(loss) on disposals of:		
– Financial assets at fair value through profit or loss	**4,050**	442
– Subsidiaries	**576**	–
– Property, plant and equipment	**(2)**	–
Waiver of other payable	**11,332**	–
Waiver of other borrowing	**2,266**	–
	18,131	500
	23,806	5,759

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of construction services	**61,953**	67,898
Cost of services provided	**–**	439
Cost of sales	**19**	484
Depreciation and amortisation of:		
– Property, plant and equipment	**3,047**	2,928
– Investment properties	**631**	605
– Right-of-use assets	**374**	645
– Other intangible assets	**37**	34
Research and development costs	**2,995**	3,090
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
– Wages and salaries	**13,463**	13,996
– Pension scheme contributions	**1,009**	1,455
	14,472	15,451
Impairment of inventories	**13,156**	673
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**1,202**	1,022
Impairment/(reversal of impairment) of financial and contract assets:		
– Trade receivables	**10,932**	22,364
– Contract assets	**(6,556)**	(27,574)
– Other receivables	**140**	977
– Debt investments at fair value through other comprehensive income	**(145)**	2,063
	4,371	(2,170)

6. INCOME TAX EXPENSE/(CREDIT)

The Company and its subsidiaries incorporated in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% (2025: 16.5%). No provision for Hong Kong Profits Tax has been made as the Company and the subsidiaries incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax during the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

The Group's operations in Mainland China are subject to the PRC corporate income tax ("**CIT**"). The standard PRC CIT rate is 25 % (2025: 25%).

Two PRC subsidiaries, MetaSpace and Yuedun Zhizao are accredited as High and New Technology Enterprise ("**HNTE**") and entitled to a preferential tax rate of 15% for the six months ended 30 June 2026 and 2025. The HNTE certificate needs to be renewed every three years so as to enable to enjoy the preferential tax rate.

Certain PRC subsidiaries were qualified as Small-scaled Minimal Profit Enterprise, and accordingly their CIT are calculated on a deemed profit margin.

Certain PRC subsidiaries are entitled to claim an additional 100% (2025: 100%) tax deductibility on eligible research and development expenses.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the entities of the Group operate.

	Six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current – Hong Kong	**–**	–
Current – Mainland China	**47**	(35)
Deferred	**35**	(28)
Total tax expense/(credit) for the period	**82**	(63)

7. DIVIDENDS

The directors do not recommend the payment of any interim dividends to shareholders of the Company for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share for the period is based on the loss attributable to the owners of the Company and the weighted average number of ordinary shares in issue.

	Six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Loss attributable to owners of the Company for the purpose of basic loss per share	**1,355**	13,153
	Number of shares	*Number of shares*
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	**1,439,135,022**	1,408,019,000

No adjustment has been made to the basic loss per share presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share presented.

9. TRADE AND BILLS RECEIVABLES

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade receivables	**104,575**	79,089
Allowance for credit losses	**(56,561)**	(47,267)
Net trade receivables – current	**48,014**	31,822
Bills receivables at fair value through other comprehensive income – current	**1,368**	4,906
	49,382	36,728

The revenue derived from construction services are mainly made on the terms of the respective construction contracts. The revenue derived from operation, management and other peripheral services are mainly made on (i) cash on delivery; and (ii) credit terms of 30 to 90 days.

Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and the senior management regularly reviews any overdue balances. In the view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, the Group has no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the terms set out in the contracts and net of loss allowances, is as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 1 year	**31,893**	21,670
1 to 2 years	**15,733**	8,896
2 to 3 years	**388**	1,256
	48,014	31,822

At 30 June 2026, the Group's bills receivables would mature within five to six months (31 December 2025: within five to seven months).

10. RESTRICTED BANK DEPOSITS

As at 30 June 2026, the Group had bank deposits of HK$47,557,000 (31 December 2025: HK$52,616,000) which were pledged to secure the bills payables with maturity date within one year from the date of reporting period.

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date or issue date, is as follows:

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Within 1 month	**17,662**	32,391
1–2 months	**15,483**	17,785
2–3 months	**18,614**	8,290
Over 3 months	**79,429**	70,287
	131,188	128,753

Trade and bills payables are non-interest-bearing. The trade payables are normally settled on terms of 30 to 60 days upon receipts of suppliers invoices, while bills payables are normally settled on terms of 90 to 180 days upon issuance of bills.

12. SHARE CAPITAL

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Authorised:		
4,000,000,000 (31 December 2025: 4,000,000,000) ordinary shares of HK$0.005 each	**20,000**	20,000
Issued and fully paid:		
1,689,619,000 (31 December 2025: 1,408,019,000) ordinary shares of HK$0.005 each	**8,448**	7,040

A summary of movements in the Company's authorised and issued share capital is as follows:

	Number of shares in issue	**Issued share capital** *HK$'000*
Authorised:		
At 1 January 2025, 31 December 2025 and 1 January 2026, 30 June 2026	4,000,000,000	20,000
Issued and fully paid:		
At 1 January 2025, 31 December 2025 and 1 January 2026	1,408,019,000	7,040
Issue of new shares under general mandate *(note (a))*	281,600,000	1,408
At 30 June 2026	1,689,619,000	8,448

Note:

(a) On 12 May 2026, the Company entered into a subscription agreement to issue and allot 281,600,000 ordinary shares of the Company to the subscriber at a subscription price of HK$0.073 per subscription share under the general mandate. The issue of subscription shares was completed on 11 June 2026 with net proceeds of approximately HK$20.6 million raised.

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the "**Board**") of directors (the "**Director(s)**") of Beijing Sports and Entertainment Industry Group Limited (the "**Company**") is pleased to present the 2026 the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred as the "**Group**") for the six-month period ended 30 June 2026 (the "**Current Period**").

BUSINESS REVIEW AND OUTLOOK

During the Current Period, the Group recorded total revenue of HK$76.5 million as compared with HK$70.4 million in the six-month period ended 30 June 2025 (the "**Corresponding Period**"), a gross profit of HK$14.5 million as compared with HK$1.6 million in the Corresponding Period and a net loss of HK$9.9 million as compared with HK$21.0 million in the Corresponding Period.

Sports and Entertainment Business

The Group is principally engaged in the Sports and Entertainment Business. MetaSpace (Beijing) Air Dome Corp.* ("**MetaSpace**"), a non-wholly owned subsidiary of the Company, is a leading integrated service provider in the PRC focusing on construction, operation and management of air-dome facilities. These air domes can be widely applied in scopes including but not limited to: (i) sports, (ii) commercial and cultural tourism, (iii) industrial and environmental protection, (iv) agricultural warehousing, and (v) highland oxygen enrichment.

The Group has set up a world-leading dome manufacturing centre in Huzhou, Zhejiang Province, with an annual processing capacity of over 5 million square metres. The production team formulates customised manufacturing processes according to customers' demands and individual circumstances, factoring in sophisticated control throughout the entire production in order to create an efficient and safe environment for delivering domes with high stability and superb quality while enabling swift installation without hampering the standard. On one hand, through competitive negotiations and tenders, MetaSpace actively utilises its own technical advantages and professional competences to provide customers with comprehensive solutions. While establishing nationwide sales channels and diversifying its success cases, the company manages to increase market share, and convinces customers to recognise and accept its products and services. On the other hand, MetaSpace pursues market expansion through various professional exhibitions such as sports expos and logistics expos, establishes the MetaSpace brand within the industry, and enhances the market awareness of the dome structure technology. Besides promoting MetaSpace's technical advantages through professional exhibitions, forums, and other forms, the company enters into collaboration with various partners on promoting the application of the dome structure technology in target industries. Meanwhile, MetaSpace will actively seek opportunities for its business expansion to other Asian countries.

* *For identification purposes only*

The year 2026 marks the starting year of the national “15th Five-Year Plan.” Most industry sectors have released their respective initiatives in response to the 15th Five-Year Plan. MetaSpace focuses on five major application areas of the air domes industry mentioned above, while continuing research and development to expand the application scope of air dome structures, striving to make constructive progress in areas such as air energy storage.

(i) Sports Sector

The sports sector is currently the most mature application area of the air dome industry and also the area with the largest number of projects. With the characteristics of light self weight and large span, air dome structures are particularly suitable for the renovation of idle urban land located at “golden corners and silver edges,” effectively utilising fragmented plots. In July 2026, the “15th Five-Year Plan for Building a Strong Sports Nation” was officially released, setting out the following priorities: improving the public service system for national fitness, strengthening the construction of fitness venues and facilities, implementing the expansion plan for public sports spaces, and accelerating the development of more “small but beautiful” venues and facilities. The features of air dome structures precisely match the requirements of this “small but beautiful” planning. At present, air dome structures have been widely applied to badminton, table tennis, basketball, tennis, swimming, and ice snow venues. By adopting air dome structures for urban idle land renovation to build public sports stadiums, national fitness centres, and sports parks, fragmented urban and rural land can be fully utilised, shortcomings in public fitness facilities can be addressed, and environmentally friendly and safe air dome gyms can contribute to the “15th Five-Year Plan” for building a strong sports nation.

(ii) Commercial and Cultural Tourism Sector

The Central Committee and the State Council attach great importance to the development of the tourism industry, viewing it as a key driver for promoting high quality development. In July 2026, the Ministry of Culture and Tourism issued the “15th Five-Year Plan for Building a Strong Tourism Nation,” which proposes promoting the integration of tourism with agriculture, industry, sports, commerce, and healthcare, and actively cultivating integrated formats such as agricultural tourism, industrial tourism, sports tourism, transport tourism, and wellness tourism. The Plan also includes a dedicated section highlighting initiatives to enhance the ice snow tourism experience. MetaSpace’s air dome facilities are highly compatible with cultural performances such as stage plays, dramas, and light shows. Their large span clear space makes it possible to create visually aesthetic and light intensive environments, offering visitors a more comprehensive and technologically enhanced entertainment experience. Cross sector integration facilitates the expansion of industry boundaries and content. Large span, low cost air dome facilities for cultural tourism further enrich the supply of tourism products. Riding on the policy momentum of tourism recovery, air dome cultural tourism is expected to develop rapidly.

(iii) Industrial and Environmental Protection Sector

In June 2026, the State Council released the "15th Five-Year Plan for Building a Beautiful China," which sets out a series of new environmental protection initiatives and measures, including higher requirements for solid waste management. The Plan calls for the comprehensive implementation of actions to control solid waste and emerging pollutants, coordinated advancement of ecosystem optimisation, and proactive responses to climate change. Air dome storage facilities, with their advantages of low cost, high airtightness, large span, and high space utilisation, provide an effective solution to the challenge of enclosing coal and other material stockyards. On the one hand, they prevent the spread of pollutants at the source; on the other hand, they avoid resource wastage caused by open air storage.

(iv) Agricultural Storage Sector

In May 2026, the "15th Five-Year Plan for Accelerating Agricultural and Rural Modernisation" was released, with key focuses including the development of high standard farmland, the expansion of food resources, and "AI+" agriculture, while specifically highlighting the cultivation of emerging and future industries in the agricultural sector. Air dome structures, with their high thermal insulation and low energy consumption characteristics, are particularly suitable for storage and preservation facilities as well as cold chain distribution centres. Their large span clear internal space allows for the flexible division into pre cooling rooms, freezing rooms, and cold storage rooms as required. By configuring both high temperature and low temperature cold storage, storage capacity can be enhanced and the quality of agricultural product supply improved. In addition, by equipping relevant atmosphere control devices, precise and effective regulation of temperature, humidity, oxygen, carbon dioxide and other gases can be achieved, thereby maximising the preservation requirements of stored goods.

(v) Plateau Oxygen Enriched Sector

In June 2026, the "15th Five-Year Plan for Building a New Energy System" was released. In the section on optimising energy storage construction and dispatch, the Plan states: "Reasonably plan and actively and orderly develop pumped-storage power stations. Vigorously develop new energy storage, strengthen the development of long-duration storage, encourage diversified technological pathways, and expand applications of new energy storage in coordinated power generation, grid stability support, as well as microgrids and virtual power plants. Promote innovation in new energy storage regulation methods and reasonably enhance utilisation levels." Air domes possess certain advantages in air energy storage. MetaSpace has continued to invest in research and development in this area and has obtained relevant patents.

During the Current Period, the Group's Sports and Entertainment Business had secured new contracts amounting to approximately RMB44.9 million and the management is cautiously optimistic about the future performance of the Group.

Money Lending Business

The Group runs the Money Lending Business and provides lending to third party customers through an indirectly wholly owned subsidiary. During the Current Period, the Group's lending business contributed interest income of HK$1.0 million (Corresponding Period: HK$1.5 million). As at 30 June 2026, there were two (31 December 2025: three) active loan accounts, gross loan balance of which were HK$17.0 million (31 December 2025: HK$21.5 million). The tenors of the loans were 12 months (31 December 2025: 12 months). The weighted average interest rate of the loans was 9.6% (31 December 2025: 11.0%).

Adhering to a robust risk management and control policies and balancing the liquidity needs of the Group, the Group will remain diligent to allocate internal capital to potential credible projects to generate a stable return.

Other Businesses

In the past few years the Group had pursued strategic diversification into non-core ventures. However, given rapidly shifting market dynamics, those initiatives did not managed to be profitable. Consequently, during the Current Period, the Group divested non-performing projects, recognising gains of HK$0.6 million. Moving forward, while remaining firmly dedicated to driving core growth in the Sports and Entertainment Business, the Group will exercise prudent discipline when evaluating potential expansion opportunities.

Particularly, capitalising on global advancements in artificial intelligence, as well as strong momentum in the global mining sectors, the Group has identified BrightFlame Group as a secondary growth engine. BrightFlame Group is an innovative AI-powered mineral engineering company that integrates proprietary digital technologies with traditional geophysical and geochemical methodologies. The Group is contemplating acquiring 51% equity interests in BrightFlame Group, which, upon completion, would be an indirect subsidiary of the Company and is expected to establish complementary revenue streams for the Group.

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue increased by approximately 8.7% from HK$70.4 million in the Corresponding Period to HK$76.5 million in the Current Period. The Group's revenue for the Current Period was mainly attributable to the Sports and Entertainment Business, and the increase was mainly driven by the larger number of projects under construction and completion following the recovering of economic activities in the previous year.

Gross profit margin for the Current Period was 19.0% while that for Corresponding Period was 2.2%. The slim margin identified in Corresponding Period was because of incidental loss incurred in certain industrial projects where the management was unable to accurately estimate the cost of production as these were projects newly attempted by MetaSpace. In Current Period the gross margin was restored to a normal level within management's expectation.

Other Income and Gains or Losses

During the Current Period, the Group recorded other income of HK$5.7 million, comparable to that of HK$5.3 million in the Corresponding Period. Other income mainly includes interest income, investment income and rental income. In Current Period interest income and rental income had been smaller but a compensation income of HK$2.6 million had been received from a customer according to a court judgement.

Meanwhile, the Group recorded other gains of HK$18.1 million in the Current Period, significantly increased from that of HK$0.5 million in the Corresponding Period. That had been larger because (i) other payables of HK$11.3 million had been waived pursuant to a deed of waiver; (ii) other borrowing of HK$2.3 million had been waived pursuant to a deed of waiver; and (iii) gain on disposals of financial assets of HK$4.1 million had been recognised.

Selling and Distribution Expenses

Selling and distribution expenses were mainly the employee benefit expenses incurred by marketing department, and the miscellaneous expenditures involved in exhibitions or public events for the Sports and Entertainment Business, and the amounts accounted for approximately 8.9% and 11.1% of the Group's revenue for the Current Period and the Corresponding Period respectively.

Administrative Expenses

Administrative expenses in the Current Period mainly composed of employee benefit expenses of HK$9.4 million, research and development cost of HK$3.0 million, and depreciation and amortisation charge of HK$2.5 million.

During the Current Period, total administrative expenses were HK$22.7 million, comparable to the Corresponding Period which were HK$20.9 million.

Impairment/(Reversal of Impairment) of Financial and Contract Assets

The amount is the net impact of impairment and reversal of impairment arising from trade receivables, contract assets, other receivables and debt investments.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2026, the Group is in a net debt position of HK$13.6 million (31 December 2025: net cash of HK$1.4 million), with cash and bank balances of HK$73.4 million (31 December 2025: HK$59.0 million) and interest-bearing bank and other borrowings of HK$87.0 million (31 December 2025: HK$57.6 million).

The following table sets forth certain of the key financial ratios:

	30 June 2026	31 December 2025
Liquidity ratios		
Current ratio(1)	**1.10**	1.06
Quick ratio(2)	**0.89**	0.87
Capital adequacy ratios		
Gearing ratio(3)	**0.66**	0.49
Debt to total assets ratio(4)	**0.21**	0.15

Notes:

(1) Current assets divided by current liabilities

(2) Current assets less inventories divided by current liabilities

(3) Interest-bearing bank and other borrowings divided by total equity

(4) Interest-bearing bank and other borrowings divided by total assets

During the Current Period, the Group's net cash outflow from operating activities amounted to HK$40.9 million (Corresponding Period: outflow of HK$24.6 million).

Debt Investments at Fair Value through Other Comprehensive Income

Debt investments at fair value through other comprehensive income represents corporate bonds purchased by the Group. These corporate bonds are measured at fair value as determined by reference to the quoted bid prices at the reporting date in the over-the-counter markets.

The Group's strategy is to hold these corporate bonds for long term purpose to earn an attractive yield. Nevertheless, the Group does not preclude the possibility of disposing some corporate bonds before maturity if such disposal will be in the best interest of the Group in light of various factors such as the prospect of bond issuers and their industries, any favorable perks to early redeem and immediate liquidity needs for operations or better investments.

During the current period, the investment income recognised in the statement of profit or loss and the fair value gain recognised in the statement of other comprehensive income amounted to HK$0.2 million (Corresponding Period: HK$0.2 million) and HK$0.6 million (Corresponding Period: fair value loss of HK$1.7 million), respectively. During the Current Period, a reversal of impairment of HK$0.1 million (Corresponding Period: an impairment of HK$2.1 million) was recognised on these debt investments.

		As at 30 June 2026		
Stock code	**Bond issuer**	**Face value of bonds held** *USD'000*	**Market value** *HK$'000*	**Percentage of market value to the Group's total assets**
N/A	Tianjin State-owned Capital Investment and Management Co., Ltd. (0.15%, due 2026)	504	3,413	0.80%
17	New World Development Co. Ltd. (9%, perpetual)	411	3,298	0.78%
1668	China South City Holdings Ltd.			
	(a) 9%, due 2024	408	565	
	(b) 9%, due 2024	413	735	
	(c) 9%, due 2024	415	557	
		1,236	1,857	0.44%
	Other debt investments individually insignificant	4,342	811	0.19%
		6,493	9,379	2.21%

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss represented both listed and unlisted equity investments.

In the Current Period, the Group received returns of HK$0.1 million (Corresponding Period: HK$0.4 million) from these financial assets, and meanwhile recorded fair value gain of HK$0.3 million (Corresponding Period: HK$0.3 million).

Capital Expenditure

The Group's capital expenditure was HK$0.03 million during the Current Period (Corresponding Period: HK$0.6 million), representing the additions to property, plant and equipment.

Capital Commitment

There were no capital commitments contracted as at 30 June 2026 (31 December 2025: nil).

Contingent Liabilities and Litigation

As at 30 June 2026, the Group did not have any significant contingent liability and outstanding litigation against the Group (31 December 2025: nil).

Event after the Reporting Period

Share Consolidation and Change in Board Lot Size

On 17 July 2026, the Board proposed to implement the share consolidation on the basis that every ten (10) issued and unissued shares of HK$0.005 each in the share capital of the Company be consolidated into one (1) consolidated share of HK$0.05 each (the "**Share Consolidation**"). Pursuant to an ordinary resolution passed on 20 August 2026, the Share Consolidation was approved by the Shareholders and became effective on 24 August 2026.

Since then the total number of issued shares of the Company was adjusted from 1,689,619,000 to 168,961,900. The board lot size for trading in the Shares on the Stock Exchange is expected to be changed from 2,500 shares to 5,000 consolidated shares with effect from 7 September 2026.

For further details, please refer to the announcement of the Company dated 17 July 2026, the circular of the Company dated 31 July 2026 and the poll results announcement of the Company dated 20 August 2026.

Other than the above, there have been no other material events occurring after the reporting period and up to the date of this announcement.

Charges on Assets

As at 30 June 2026, except for the charge over the buildings and right-of-use assets with the carrying value of HK$46.6 million and HK$19.4 million respectively for securing the Group's interest-bearing bank borrowings (31 December 2025: the charge over the buildings and right-of-use assets with the carrying value of HK$46.2 million and HK$18.8 million respectively), the Group did not have any charges on assets.

Credit Risk

The Group has no significant concentrations of credit risk with exposure spread over a large number of counterparties and customers. The carrying amounts of bank balances, trade receivables, contract assets and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. The Group will review and monitor the level of exposure to ensure that follow-up actions are taken to recover overdue debts. In addition, at the end of each reporting year, the recoverability of each trade debt is evaluated so as to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors are of the view that the Group does not expose to significant credit risk. The credit risk on liquid funds is limited because the counterparties are banks with high credit-rating.

Liquidity Risk

The Group is exposed to minimal liquidity risk as a substantial portion of its financial assets and financial liabilities are due within one year. With sufficient excess of current assets over current liabilities, it can finance its operations from existing shareholders' funds and internally generated cash flows such as realisation of certain short-term treasury investments.

For the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate to finance the Group's operations and mitigate the effect of fluctuations in cash flows. The Group monitors current and expected liquidity requirements on a regular basis.

Foreign Currency Risk

The Group is exposed to foreign exchange risk, primarily from Renminbi and United States dollar. Foreign exchange risk arises from future commercial transactions, as well as recognised assets and liabilities. During the Current Period, the Group had not hedged its foreign exchange risk because the exposure, after netting off the gain and loss derived from foreign exchange difference, was not very significant. Our management will continue to monitor our foreign exchange exposure and will consider hedging the foreign currency exposure when it is necessary.

HUMAN RESOURCES

As at 30 June 2026, the Group had 133 full-time employees (31 December 2025: 124). The Group reviews remuneration and benefits of its employees annually according to the relevant market practice and individual performance of the employees.

The emolument of each of the Directors and the employees of the Group is on the basis of their merit, qualification, competence and experience in the industry, the profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance. In addition, the Company has adopted a share option scheme as incentives to directors and eligible persons.

Save for the social insurance in China and the mandatory provident fund scheme in Hong Kong, the Group has not set aside or accrued any significant funds to provide for retirement or similar benefits for its employees. The staff costs incurred for the Current Period were HK$14.5 million (Corresponding Period: HK$15.5 million).

CODE ON CORPORATE GOVERNANCE PRACTICES

Good corporate governance is conducive to enhancing the Group's overall performance and accountability is essential in modern corporate administration. The Board, which includes four independent non-executive Directors out of a total of ten Directors, is responsible for setting strategic, management and financial objectives and continuously observes the principles of good corporate governance and devotes considerable effort to identifying and formalising best practice to ensure the interests of shareholders, including those of minority shareholders, are protected.

The corporate governance rules applicable to the Company is the code on corporate governance practices (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). In the opinion of the Board, the Company has complied with all the code provisions as set out in the CG Code throughout the Current Period, except for the following deviations:

Code Provision C.2.1

According to the code provision C.2.1, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. On 17 April 2026, Mr. Liu Xue Heng has resigned as the chairman of the Board (the "**Chairman**") and the chief executive officer of the Company, and on the same date Mr. Hu Yebi has been appointed the Chairman. Following the resignation of Mr. Liu Xue Heng as the chief executive officer of the Company, the role of the chief executive officer of the Company has remained vacant as the Company has not identified a suitable candidate to take up the role. The Company will keep reviewing the current structure of the Board from time to time and should any candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the position as appropriate.

Code Provision B.2.4(b)

According to the code provision B.2.4(b), an issuer shall appoint a new independent non-executive director at the next annual general meeting if all independent non-executive directors on the board of the issuer have been in office for more than nine years. As at the date of this announcement, all independent non-executive Directors have been in office for more than nine years. The Company is in the course of identifying a suitable candidate to be appointed as an additional independent non-executive Director to comply with code provision B.2.4(b) of the CG Code and will make further announcement as and when appropriate.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the provision of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules regarding securities transactions by directors and senior management. After specific enquiry, all Directors of the Company confirmed that they have complied with the required standard of dealings set out in the Model Code throughout the Current Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the Current Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares, including sales of treasury shares (the "**Treasury Shares**") within the meaning under the Listing Rules. As at 30 June 2026, the Company did not hold any Treasury Shares.

AUDIT COMMITTEE

The Company has established the Audit Committee in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal control. The Audit Committee comprises three independent non-executive Directors. The interim results for the Current Period are unaudited but have been reviewed by the Audit Committee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained a sufficient public float as required under the Listing Rules.

DIVIDEND

The Board does not recommend the payment of any interim dividend to shareholders for the Current Period. The declaration, payment, and amount of future dividends will be decided by the Board and will depend upon, among other things, the Group's result of operations, capital requirements, cash flows, general financial conditions, and such other factors as the Board may consider important.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of the Company (www.bsehk.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The 2026 interim report of the Company will be despatched to the shareholders of the Company and available on the above websites in due course.

APPRECIATION

The Board would like to express our appreciation to our shareholders, customers, banks and business partners for their continuous trust and support, and also to all of our staff for their dedicated efforts in the Group.

By Order of the Board
Beijing Sports and Entertainment Industry Group Limited
Hu Yebi
Chairman

Hong Kong, 26 August 2026

As at the date of this announcement, the executive Directors are Mr. Lam Ka Tak, Mr. Hou Gongda and Mr. Zhang Su; the non-executive Directors are Mr. Hu Yebi, Ms. Hu Yi Na and Mr. Liu Xue Heng; 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.