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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025, together with comparative figures for the corresponding period in 2024. 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 2025

	<i>Notes</i>	Six-month period ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	70,388	54,748
Cost of sales and costs of construction services		(68,821)	(44,536)
Gross profit		1,567	10,212
Other income and gains and losses	4	5,759	3,848
Selling and distribution expenses		(7,837)	(6,538)
Administrative expenses		(20,894)	(21,203)
Reversal of impairment of financial and contract assets		2,170	1,754
Other expenses		(677)	(1,350)
Finance costs		(1,101)	(949)
LOSS BEFORE TAX	5	(21,013)	(14,226)
Income tax credit	6	63	15
LOSS FOR THE PERIOD		(20,950)	(14,211)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONTINUED)**

For the six-month period ended 30 June 2025

		Six-month period ended 30 June	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD		(20,950)	(14,211)
OTHER COMPREHENSIVE INCOME/ (LOSS)			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Debt investments at fair value through other comprehensive income:			
Changes in fair value		(1,667)	2,650
Reclassification adjustments for items included in profit or loss:			
Gain on disposals		–	(46)
Impairment/(reversal of impairment)		2,063	(2,197)
		396	407
Exchange differences on translation of foreign operations		1,212	(2,312)
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		1,608	(1,905)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(19,342)	(16,116)
Loss attributable to:			
Owners of the Company		(13,153)	(8,652)
Non-controlling interests		(7,797)	(5,559)
		(20,950)	(14,211)
Total comprehensive loss attributable to:			
Owners of the Company		(12,334)	(9,223)
Non-controlling interests		(7,008)	(6,893)
		(19,342)	(16,116)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (<i>HK cent</i>)	8	(0.93)	(0.61)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		60,013	61,213
Investment properties		14,536	14,909
Right-of-use assets		19,531	19,858
Other intangible assets		336	270
Interest in a joint venture		2,257	2,257
Prepayments, other receivables and other assets		345	360
Contract assets		3,173	1,660
Financial assets at fair value through profit or loss		1,100	1,083
Deferred tax assets		8,340	8,264
Total non-current assets		109,631	109,874
CURRENT ASSETS			
Inventories		54,729	56,834
Contract assets		21,359	57,244
Trade and bills receivables	9	54,281	30,841
Prepayments, other receivables and other assets		35,941	33,794
Debt investments at fair value through other comprehensive income		8,056	9,522
Financial assets at fair value through profit or loss		8,018	7,602
Restricted bank deposits	10	41,135	40,528
Cash and bank balances		77,493	75,450
Total current assets		301,012	311,815
CURRENT LIABILITIES			
Trade and bills payables	11	108,937	126,306
Other payables and accruals		84,338	86,183
Provision		2,556	2,028
Interest-bearing bank and other borrowings		75,611	48,056
Lease liabilities		713	888
Tax payable		30	29
Total current liabilities		272,185	263,490

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NET CURRENT ASSETS		28,827	48,325
TOTAL ASSETS LESS CURRENT LIABILITIES		138,458	158,199
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		2,193	2,160
Lease liabilities		3,664	4,035
Deferred tax liabilities		99	160
Total non-current liabilities		5,956	6,355
Net assets		132,502	151,844
EQUITY			
Equity attributable to owners of the Company			
Share capital	12	7,040	7,040
Reserves		91,911	104,245
		98,951	111,285
Non-controlling interests		33,551	40,559
Total equity		132,502	151,844

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six-month period ended 30 June 2025

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 2025 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 2024.

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 2024, except for the adoption of the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025.

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRSs 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 2025 and 2024, 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 2025 and 2024.

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES

An analysis of revenue is as follows:

	Six-month period ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	70,388	54,748

Disaggregation of revenue from contracts with customers

	Six-month period ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Provision of air dome construction services	68,693	54,745
Rendering of operation and management services and other sports related services	1,038	3
Sale of goods	657	–
Total revenue from contracts with customers	70,388	54,748
Timing of revenue recognition		
Services/goods transferred at a point in time	51,039	15,940
Services transferred over time	19,349	38,808
Total revenue from contracts with customers	70,388	54,748

Other income and gains and losses

	Six-month period ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Other income		
Bank interest income	305	559
Other interest income	1,539	1,554
Investment income from:		
– Financial assets at fair value through profit or loss	359	485
– Debt investments at fair value through other comprehensive income	157	361
Government subsidies	201	–
Gross rental income from investment properties under operating leases	2,106	1,565
Others	592	130
	<u>5,259</u>	<u>4,654</u>
Gains and losses		
(Loss)/gain on foreign exchange difference, net	(227)	199
Fair value gain/(loss) on financial assets at fair value through profit or loss	285	(538)
Gain/(loss) on disposals of:		
– Financial assets at fair value through profit or loss	442	–
– Debt investments at fair value through other comprehensive income	–	(463)
– Property, plant and equipment	–	(4)
	<u>500</u>	<u>(806)</u>
	<u><u>5,759</u></u>	<u><u>3,848</u></u>

5. LOSS BEFORE TAX

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

	Six-month period ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of construction contracts	67,898	44,532
Cost of services provided	439	4
Cost of sales	484	–
Depreciation and amortisation of:		
– Property, plant and equipment	2,928	2,865
– Investment properties	605	606
– Right-of-use assets	645	929
– Other intangible assets	34	13
Research and development costs	3,090	2,489
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
– Wages and salaries	13,996	12,907
– Pension scheme contributions	1,455	1,512
	15,451	14,419
Impairment of inventories	673	1,341
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	1,022	876
(Reversal of impairment)/impairment of financial and contract assets:		
– Trade receivables	22,364	1,396
– Contract assets	(27,574)	(953)
– Other receivables	977	–
– Debt investments at fair value through other comprehensive income	2,063	(2,197)
	(2,170)	(1,754)

6. INCOME TAX CREDIT

The Company and its subsidiaries incorporated in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% (2024: 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 2025 (six months ended 30 June 2024: nil).

The Group's operations in Mainland China are subject to the PRC corporate income tax ("CIT"). The standard PRC CIT rate is 25% (2024: 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 2025 and 2024. 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% (2024: 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	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – Hong Kong	–	–
Current – Mainland China	(35)	34
Deferred	(28)	(49)
	<u> </u>	<u> </u>
Total tax credit for the period	<u>(63)</u>	<u>(15)</u>

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 2025 (six months ended 30 June 2024: 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	
	2025	2024
	HK\$'000	HK\$'000
Loss attributable to owners of the Company for the purpose of basic loss per share	<u>13,153</u>	<u>8,652</u>
	<i>Number of shares</i>	<i>Number of shares</i>
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	<u>1,408,019,000</u>	<u>1,408,019,000</u>

No adjustment has been made to the basic loss per share presented for the six months ended 30 June 2025 and 2024 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 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	116,643	68,825
Allowance for credit losses	(66,169)	(42,915)
Net trade receivables – current	50,474	25,910
Bills receivables at fair value through other comprehensive income – current	3,807	4,931
	54,281	30,841

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 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 1 year	46,438	22,299
1 to 2 years	2,475	2,555
2 to 3 years	1,561	1,056
	50,474	25,910

At 30 June 2025, the Group's bills receivables would mature within six months (31 December 2024: within twelve months).

10. RESTRICTED BANK DEPOSITS

As at 30 June 2025, the Group had bank deposits of HK\$37,598,000 (31 December 2024: HK\$36,819,000) which were pledged to secure the bills payables with maturity date within one year from the date of reporting period.

As at 30 June 2025, the Group's restricted bank deposits of HK\$3,537,000 (31 December 2024: HK\$3,709,000) were restricted for use in relation to guarantee deposit for performing the construction contract.

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 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 1 month	18,822	44,036
1–2 months	9,262	16,259
2–3 months	20,069	23,149
Over 3 months	60,784	42,862
	108,937	126,306

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 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Authorised: 4,000,000,000 (31 December 2024: 4,000,000,000) ordinary shares of HK\$0.005 each	20,000	20,000
Issued and fully paid: 1,408,019,000 (31 December 2024: 1,408,019,000) ordinary shares of HK\$0.005 each	7,040	7,040

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 2025 unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred as the “**Group**”) for the six-month period ended 30 June 2025 (the “**Current Period**”).

BUSINESS REVIEW AND OUTLOOK

During the Current Period, the Group recorded total revenue of HK\$70.4 million as compared with HK\$54.7 million in the six-month period ended 30 June 2024 (the “**Corresponding Period**”), a gross profit of HK\$1.6 million as compared with HK\$10.2 million in the Corresponding Period and a net loss of HK\$21.0 million as compared with HK\$14.2 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 Chinese government has launched a series of policies targeting the industry in 2025, with the following highlights:

- (i) In April 2025, the relevant departments of Beijing issued the “Guiding Opinions on Standardizing and Strengthening the Planning Management of Newly Built Air Dome Sports Structures”, which clearly established the construction planning conditions and procedures for air dome sports structures. This has played a positive role in the sustained and healthy development of the air dome industry. In the same month, the National Development and Reform Commission of China and other departments issued the “Notice on Enhancing the Construction of High-Quality Outdoor Sports Fields”, innovatively proposing a development model of “dual-driver of ecological value enhancement and resource activation”. Air Dome sports structures utilised energy-efficient materials and environmentally friendly technologies to effectively reduce energy consumption and emissions in sports facilities. Additionally, intelligent management systems enabled real-time monitoring and adjustment of indoor environments, ensuring that air quality, temperature and humidity are constantly maintained at optimal levels, allowing users to immerse in a space that was both technologically advanced and environmentally sustainable. In March 2025, the General Office of the State Council of the Chinese Communist Party issued the “Special Initiatives to Increase Consumption”, which clearly proposed expanding cultural, sports, and tourism consumption and promoting winter sports consumption. This will effectively increase demand for air dome sports venues.
- (ii) In March 2025, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, and the State Administration for Market Regulation jointly issued the “Several Opinions on Accelerating the High-Quality Development of its Environmental Protection Equipment Manufacturing Sector”, focusing on promoting the sustained, healthy, and stable development of the environmental protection equipment manufacturing sector and building a trillion-dollar industry with international competitive advantages.
- (iii) The 14th Five-Year Plan for Building Energy Efficiency and Green Building Development has laid the policy foundation for the application of air dome structure technology in construction. The policy requires that by 2025, all new urban buildings must fully comply with green building standards, and vigorously promote the development of ultra-low energy consumption and nearly zero energy consumption buildings. Air dome technology has significant advantages in reducing construction dust, noise, and energy consumption, and is highly consistent with the policy direction.

During the Current Period, the Group's Sports and Entertainment Business had secured new contracts amounting to approximately RMB92 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\$1.5 million (Corresponding Period: HK\$1.6 million). As at 30 June 2025, there were four (31 December 2024: four) active loan accounts, gross loan balance of which were HK\$27.0 million (31 December 2024: HK\$27.0 million). The tenors of the loans were 12 months (31 December 2024: 12 months). The weighted average interest rate of the loans was 10.9% (31 December 2024: 10.9%).

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

On top of the businesses above-mentioned, the management always strive to look for potential ventures in the market, with a hope to maximise shareholders' interest while optimising the Group's resources. One of the ventures the Group had undertaken was a business engaged in manufacturing and sale of white pigment powder in 2022. Yet since establishment and up to the Current Period, its performance had not been as flourishing as expected. Besides, the Group has been exploring and attempting potential projects but as of 30 June 2025 the scale and profitability of those were relatively insignificant and uncertain.

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue increased by approximately 28.6% from HK\$54.7 million in the Corresponding Period to HK\$70.4 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 2.2% (Corresponding Period: 18.7%), and such slim margin was driven by incidental loss identified in certain projects during the Current Period. The management was unable to accurately estimate the cost of production as these were projects newly attempted by MetaSpace, and the actual cost of completing the projects exceeded the contract amount, leading to the loss recorded. If the impact of these projects on gross profit is excluded, the gross margin of the remaining projects would be approximately 11.5%, which was still lower than that of the Corresponding Period. Management believes that the decline was due to intensifying market competition, forcing MetaSpace to lower project target margins to meet customer demands. Additionally, there was an increase in construction costs due to factors such as large volume of the project, complex and difficult construction technology, more high-altitude work, and long construction cycles.

Other Income and Gains or Losses

During the Current Period, the Group recorded other income of HK\$5.3 million, comparable to HK\$4.7 million in the Corresponding Period. Other income mainly includes interest income, investment income and rental income.

Meanwhile the Group recorded other gains of HK\$0.5 million, being fair value gain and gain on disposals of financial assets at fair value through profit or loss, offset by foreign exchange loss.

Selling and Distribution Expenses

Selling and distribution expenses increased by 19.9% or HK\$1.3 million from HK\$6.5 million in the Corresponding Period to HK\$7.8 million in the Current Period, accounting for approximately 11.1% and 11.9% of the Group's revenue for the Current Period and the Corresponding Period respectively. During the Current Period, in response to the increase in new contracts and in order to foster business growth, MetaSpace expanded its efforts in promotion, which resulted in an increase in the salaries of sales staff, travelling expenses and business promotion expenses, and thus an increase in the selling and distribution expenses.

Administrative Expenses

Administrative expenses in the Current Period mainly composed of employee benefit expenses of HK\$10.4 million, research and development cost of HK\$3.1 million, and depreciation and amortisation charge of HK\$2.5 million.

During the Current Period, total administrative expenses were HK\$20.9 million, comparable to the Corresponding Period which were HK\$21.2 million.

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. In Current Period, the amount is a net reversal mainly from written back of impairment of contract assets.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2025, the Group is in a net debt position of HK\$0.3 million (31 December 2024: net cash of HK\$25.3 million), with cash and bank balances of HK\$77.5 million (31 December 2024: HK\$75.5 million) and interest-bearing bank and other borrowings of HK\$77.8 million (31 December 2024: HK\$50.2 million).

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

	30 June 2025	31 December 2024
Liquidity ratios		
Current ratio ⁽¹⁾	1.11	1.18
Quick ratio ⁽²⁾	0.90	0.97
Capital adequacy ratios		
Gearing ratio ⁽³⁾	0.59	0.33
Debt to total assets ratio ⁽⁴⁾	0.19	0.12

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\$24.6 million (Corresponding Period: inflow of HK\$3.6 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 loss recognised in the statement of other comprehensive income amounted to HK\$0.2 million (Corresponding Period: HK\$0.4 million) and HK\$1.7 million (Corresponding Period: fair value gain of HK\$2.7 million), respectively. During the Current Period, an impairment of HK\$2.1 million (Corresponding Period: reversal of impairment of HK\$2.2 million) was recognised on these debt investments.

Stock code	Bond issuer	As at 30 June 2025		
		Face value of bonds held <i>USD'000</i>	Market value <i>HK\$'000</i>	Percentage of market value to the Group's total assets
3333	China Evergrande Group (a) 8.25%, due 2022 (b) 7.5%, due 2023	500 500		
		1,000	97	0.02%
618	Nuoxi Capital Limited, a wholly-owned subsidiary of Peking University Founder Group Co., Ltd. (5.25%, due 2023)	375	157	0.04%
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd. (6.5% in cash/7.5% with payment-in-kind, due 2025)	453	97	0.02%
1107	Modern Land (China) Co., Ltd. (a) 9% in cash/11% with payment-in-kind, due 2027 (b) 9% in cash/9% with payment-in-kind, due 2029	494 228		
		722	5	0.00%
3383	Agile Group Holdings Ltd. (8.375%, perpetual)	500	132	0.03%
1777	Fantasia Holdings Group Co., Ltd. (11.75%, due 2022)	340	73	0.02%
1638	Kaisa Group Holdings Ltd. (11.25%, due 2022)	348	115	0.03%
1668	China South City Holdings Ltd. (a) 9%, due 2024 (b) 9%, due 2024 (c) 9%, due 2024	408 413 415		
		1,236	2,289	0.56%

Stock code	Bond issuer	As at 30 June 2025		
		Face value of bonds held USD'000	Market value HK\$'000	Percentage of market value to the Group's total assets
600606	Greenland Global Investment Ltd., a wholly-owned subsidiary of Greenland Holdings Corp. Ltd. (5.9%, due 2023)	190	398	0.10%
17	New World Development Co. Ltd. (5.25%, perpetual)	800	1,709	0.42%
N/A	Qinghai Provincial Investment Group Co., Ltd.(6.4%, due 2021)	371	29	0.01%
N/A	Tianjin State-owned Capital Investment and Management Co., Ltd. (0.15%, due 2026)	504	2,955	0.72%
		6,839	8,056	1.96%

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\$0.4 million (Corresponding Period: HK\$0.5 million) from these financial assets, and meanwhile recorded fair value gain of HK\$0.3 million (Corresponding Period: fair value loss of HK\$0.5 million).

Capital Expenditure

The Group's capital expenditure was HK\$0.6 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 2025 (31 December 2024: nil).

Contingent Liabilities and Litigation

As at 30 June 2025, the Group did not have any significant contingent liability and pending litigation against the Group (31 December 2024: nil).

Event after the Reporting Period

Save as disclosed elsewhere on the announcement, the Group did not have any significant events after the reporting period.

Charges on Assets

As at 30 June 2025, except for the charge over the buildings and right-of-use assets with the carrying value of HK\$47.0 million and HK\$18.9 million respectively for securing the Group's interest-bearing bank borrowings (31 December 2024: the charge over the buildings and right-of-use assets with the carrying value of HK\$47.8 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 2025, the Group had 145 full-time employees (31 December 2024: 128). 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\$15.5 million (Corresponding Period: HK\$14.4 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 nine 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. During the Current Period, Mr. Liu Xue Heng is both the chairman of the Board and the chief executive officer of the Company. The Board considered that Mr. Liu Xue Heng has in-depth knowledge and experience in the sports and entertainment related business in the PRC; and he is the most appropriate person. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements.

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 2025, 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 2025 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
Liu Xue Heng
Chairman

Hong Kong, 26 August 2025

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 Directors are Mr. Hu Yebi and Ms. Hu Yi Na; 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.