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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)

2025 ANNUAL RESULTS ANNOUNCEMENT

The Board of directors (the “**Board**” and the “**Directors**”) of Beijing Sports and Entertainment Industry Group Limited (the “**Company**”) announces the consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Current Year**”) and comparative figures for the corresponding period in last year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	4	190,595	169,653
Cost of sales and costs of construction services		(162,013)	(139,604)
Gross profit		28,582	30,049
Other income and gains and losses	4	9,909	15,859
Selling and distribution expenses		(17,418)	(14,541)
Administrative expenses		(47,818)	(52,134)
Impairment of financial and contract assets, net	5	(99)	(9,995)
Other expenses and losses		(3,748)	(3,633)
Finance costs	6	(2,258)	(1,668)
Share of loss of a joint venture		(266)	(60)
Loss before tax	5	(33,116)	(36,123)
Income tax (expense)/credit	7	(3,888)	828
Loss for the year		(37,004)	(35,295)

<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
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	(1,029)	366
Reclassification adjustments for items included in profit or loss:		
Gain on disposal	–	(233)
Impairment	995	194
	<u>(34)</u>	<u>327</u>
Reclassification of foreign currency translation reserve upon deregistrations and disposal of foreign operations	–	2
Exchange differences on translation of foreign operations	2,299	(2,504)
	<u>2,265</u>	<u>(2,175)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	2,265	(2,175)
Other comprehensive income/(loss) for the year, net of tax	2,265	(2,175)
Total comprehensive loss for the year	(34,739)	(37,470)
Loss attributable to:		
Owners of the Company	(24,688)	(22,847)
Non-controlling interests	(12,316)	(12,448)
	<u>(37,004)</u>	<u>(35,295)</u>
Total comprehensive loss attributable to:		
Owners of the Company	(23,641)	(23,821)
Non-controlling interests	(11,098)	(13,649)
	<u>(34,739)</u>	<u>(37,470)</u>
Loss per share attributable to owners of the Company	8	
Basic and diluted	HK1.8 cents	HK1.6 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		58,205	61,213
Investment properties		14,060	14,909
Right-of-use assets		18,870	19,858
Other intangible assets		303	270
Interest in a joint venture		1,991	2,257
Prepayments, other receivables and other assets		336	360
Contract assets	9	7,850	1,660
Financial assets at fair value through profit or loss		292	1,083
Deferred tax assets		4,399	8,264
		<hr/>	<hr/>
Total non-current assets		106,306	109,874
		<hr/>	<hr/>
Current assets			
Inventories		51,941	56,834
Contract assets	9	48,232	57,244
Trade and bills receivables	10	36,728	30,841
Prepayments, other receivables and other assets		30,327	33,794
Debt investments at fair value through other comprehensive income		8,899	9,522
Financial assets at fair value through profit or loss		2,569	7,602
Restricted bank deposits		52,616	40,528
Cash and bank balances		59,028	75,450
		<hr/>	<hr/>
Total current assets		290,340	311,815
		<hr/>	<hr/>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current liabilities			
Trade and bills payables	11	128,753	126,306
Other payables and accruals		84,922	86,183
Provisions		2,582	2,028
Amounts due to related parties		977	–
Interest-bearing bank and other borrowings		57,569	48,056
Lease liabilities		104	888
Tax payable		6	29
		<hr/>	<hr/>
Total current liabilities		274,913	263,490
		<hr/>	<hr/>
Net current assets		15,427	48,325
		<hr/>	<hr/>
Total assets less current liabilities		121,733	158,199
		<hr/>	<hr/>
Non-current liabilities			
Interest-bearing bank and other borrowings		–	2,160
Lease liabilities		4,621	4,035
Deferred tax liabilities		7	160
		<hr/>	<hr/>
Total non-current liabilities		4,628	6,355
		<hr/>	<hr/>
Net assets		117,105	151,844
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Equity attributable to owners of the Company			
Share capital	12	7,040	7,040
Reserves		80,604	104,245
		<hr/>	<hr/>
		87,644	111,285
Non-controlling interests		29,461	40,559
		<hr/>	<hr/>
Total equity		117,105	151,844
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE AND GROUP 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 (together, the “**Group**”) are principally engaged in the 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 Stock Exchange.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Security on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

They have been prepared under the historical cost convention, except for debt investments at fair value through other comprehensive income (“**FVOCI**”), financial assets at fair value through profit or loss (“**FVPL**”) and bills receivable at FVOCI, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 Application of amendments to HKFRS Accounting Standards

In the preparation of the consolidated financial statements for the year ended 31 December 2025, the Group has applied the following amendment to a HKFRS Accounting Standard, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendment to a HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.3 New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements.

HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for HKFRS 18 mentioned below, the above amendments to HKFRS Accounting standards do not expect to have a material impact on the consolidated financial statements of the Group. The Group will adopt the new and amendments to HKFRS Accounting Standards when they become effective.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the income statement; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted, and will be applied retrospectively. The application of the new standard is expected to affect the presentation of the income statement and disclosures in the future financial statements. The Group is still currently assessing the impact that HKFRS 18 will have on the Group's consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the executive directors for the purposes of allocating resources and assessing performance.

During the years ended 31 December 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 years ended 31 December 2025 and 2024.

Geographical information

(a) *Revenue from external customers*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mainland China	170,212	132,688
Indonesia	20,383	36,965
	<u>190,595</u>	<u>169,653</u>

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

All of the Group's non-current assets (excluding certain deferred tax assets) are located in Mainland China, in which all of its revenue was derived.

Information about major customers

Revenue from major customers, each of them accounting for 10% or more of the Group's revenue for the year, is set out below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Provision of air dome construction services		
Customer A	66,021	N/A*
Customer B	31,545	N/A*
Customer C	N/A*	21,126
	<u>N/A*</u>	<u>21,126</u>

* Nil or less than 10% of the Group's revenue.

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES

An analysis of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers	<u>190,595</u>	<u>169,653</u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Types of goods or services		
Provision of air dome construction services	188,726	169,205
Rendering of operation and management services and other sports related services	1,086	229
Sale of goods	<u>783</u>	<u>219</u>
Total revenue from contracts with customers	<u>190,595</u>	<u>169,653</u>
Timing of revenue recognition		
Services/goods transferred at a point in time	83,606	68,607
Services transferred over time	<u>106,989</u>	<u>101,046</u>
Total revenue from contracts with customers	<u>190,595</u>	<u>169,653</u>

During the year, the Group recognised revenue of HK\$32,322,000 (2024: HK\$17,549,000) that was included in the contract liabilities in respect of the provision of air dome construction services, the rendering of operation and management services and other sports related services at the beginning of the reporting period.

(b) **Transaction price allocated to the remaining performance obligation**

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Amounts expected to be recognised as revenue:		
Within one year	<u>49,019</u>	<u>77,042</u>

The amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

Other income and gains and losses

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income		
Bank interest income	535	1,094
Other interest income	2,439	3,132
Investment income and return from:		
– Financial assets at FVPL	360	447
– Debt investments at FVOCI	866	1,525
Government subsidies (<i>note</i>)	138	7
Gross rental income from investment property under operating leases	4,143	2,837
Others	<u>1,480</u>	<u>983</u>
	<u>9,961</u>	<u>10,025</u>
Gains and losses		
(Loss)/gain on foreign exchange differences, net	(157)	250
Fair value (loss)/gain on financial assets at FVPL	(209)	1,904
Gain/(loss) on disposals of:		
– Financial assets at FVPL	325	58
– Debt investments at FVOCI	–	563
– Property, plant and equipment	(11)	(6)
Loss on deregistration of subsidiaries	–	(2)
Gain on early termination of lease	–	3,087
Others	<u>–</u>	<u>(20)</u>
	<u>(52)</u>	<u>5,834</u>
	<u>9,909</u>	<u>15,859</u>

Note: The amount represented subsidies on the Group's business development. There is no specific condition attached to these subsidies.

5. LOSS BEFORE TAX

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of construction contracts	161,078	139,411
Cost of services provided	461	26
Cost of sales	474	167
Depreciation and amortisation of:		
– Property, plant and equipment	5,573	5,554
– Investment properties	1,218	1,218
– Right-of-use assets	1,495	1,872
– Other intangible assets	70	41
Research and development costs	10,489	12,571
Lease payments not included in the measurement of lease liabilities	130	164
Auditor's remuneration	1,550	1,500
Employee expenses (excluding directors' and chief executives' remuneration):		
– Wages and salaries	29,242	24,728
– Pension scheme contributions	2,801	2,489
	32,043	27,217
Impairment of inventories*	3,471	3,621
Direct operating expenses (including repairs and maintenance) arising from rental-earning investing properties	2,047	1,704
Impairment/(reversal of impairment) of below financial and contract assets:		
– Other receivables, net	3,333	–
– Contract assets, net	(9,733)	7,049
– Trade receivables, net	5,504	2,752
– Debt investments at FVOCI, net	995	194
	<u>99</u>	<u>9,995</u>

* This item is included in “Other expenses and losses” in the consolidated statement of profit or loss and other comprehensive income.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank and other borrowings	1,669	1,065
Interest on lease liabilities	589	603
Total interest expenses on financial liabilities not through profit or loss	<u>2,258</u>	<u>1,668</u>

7. INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of the qualifying entity are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

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 (2024: two) PRC subsidiaries, MetaSpace and Yuedun Zhizao were accredited as High and New Technology Enterprise ("HNTE") and entitled to a preferential tax rate of 15% (2024: 15%) for the years ended 31 December 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. The first RMB1 million of annual taxable income is eligible for 75% reduction and the income between RMB1 million and RMB3 million is eligible for 50% reduction at the applicable EIT tax rate of 20% for both years.

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 Group operates.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	–	26
Under/(over)-provision in prior year	21	(2)
Current – Mainland China		
Charge for the year	142	110
Over-provision in prior years	(110)	(36)
Deferred	<u>3,835</u>	<u>(926)</u>
Total tax charge/(credit) for the year	<u><u>3,888</u></u>	<u><u>(828)</u></u>

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss attributable to owners of the Company for the purpose of basic loss per share	<u><u>24,688</u></u>	<u><u>22,847</u></u>

	Number of shares	Number of shares
Weighted average number of ordinary shares in issue for the purpose of basic loss per share	1,408,019,000	1,408,019,000

Diluted loss per share for both years were the same as the basic loss per share as there was no potentially dilutive ordinary shares outstanding for both 2025 and 2024.

9. CONTRACT ASSETS

	2025 HK\$'000	2024 HK\$'000
Contract assets	79,244	91,125
Allowance for credit losses	(23,162)	(32,221)
	56,082	58,904
Analysed into:		
Current portion	48,232	57,244
Non-current portion	7,850	1,660

Contract assets are initially recognised for revenue earned from the provision of construction services as the receipt of consideration is conditional on acceptance by the customer. Included in contract assets for construction services are retention receivables. Upon acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2025 reflects an increase in projects in progress, whereas the increase in 2024 reflects a rise in projects in progress.

The expected timing of recovery or settlement for contract assets as at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	71,394	89,465
After one year	7,850	1,660
Total contract assets	79,244	91,125

The movements in the allowance for credit losses of contract assets are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	32,221	25,289
(Reversal of impairment)/impairment (note 5)	(9,733)	7,049
Exchange realignment	674	(117)
At end of the year	23,162	32,221

10. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	79,089	68,825
Allowance for credit losses	<u>(47,267)</u>	<u>(42,915)</u>
Net trade receivables – current	31,822	25,910
Bills receivables at FVOCI – current	<u>4,906</u>	<u>4,931</u>
	<u><u>36,728</u></u>	<u><u>30,841</u></u>

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 sports related 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 overdue balances are reviewed regularly by senior management. In the view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is 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.

At 31 December 2025, MetaSpace, and Yuedun Zhizao, two subsidiaries of the Group, endorsed certain bills receivable accepted by banks in Mainland China (the “**Derecognised Bills**”) to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB27,485,000 (equivalent to HK\$30,428,000) (2024: RMB20,009,000 (equivalent to HK\$21,818,000)). The Derecognised Bills had a maturity of five to seven months (2024: five to seven months) at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “**Continuing Involvement**”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the years ended 31 December 2025 and 2024, the Group did not recognise any gain or loss in relation to the transfer of the Derecognised Bills and Continuing Involvement. The endorsement has been made evenly throughout the year.

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 allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	21,670	22,299
1 to 2 years	8,896	2,555
2 to 3 years	<u>1,256</u>	<u>1,056</u>
	<u><u>31,822</u></u>	<u><u>25,910</u></u>

The movements in the allowance for credit losses of trade and bills receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of year	42,915	41,363
Impairment (<i>note 5</i>)	5,504	2,752
Written off	(2,280)	(317)
Exchange realignment	1,128	(883)
	<u>47,267</u>	<u>42,915</u>

11. TRADE AND BILLS PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	76,182	88,475
Bills payables	52,571	37,831
	<u>128,753</u>	<u>126,306</u>

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	32,391	44,036
1 to 2 months	17,785	16,259
2 to 3 months	8,290	23,149
Over 3 months	70,287	42,862
	<u>128,753</u>	<u>126,306</u>

The trade payables are non-interest-bearing and normally settled on terms of 30 to 90 days upon receipts of suppliers invoices.

12. SHARE CAPITAL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Authorised:		
4,000,000,000 (2024: 4,000,000,000) ordinary shares of HK\$0.005 each	<u>20,000</u>	<u>20,000</u>
Issued and fully paid:		
1,408,019,000 (2024: 1,408,019,000) ordinary shares of HK\$0.005 each	<u>7,040</u>	<u>7,040</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The board of directors (the “**Board**” and the “**Directors**”) of Beijing Sports and Entertainment Industry Group Limited (the “**Company**”) is pleased to present the audited consolidated financial statements of the Company and its subsidiaries (collectively referred as the “**Group**”) for the year ended 31 December 2025 (“**Current Year**”).

BUSINESS REVIEW AND OUTLOOK

During the Current Year, the Group recorded revenue of HK\$190.6 million as compared with HK\$169.7 million for the year ended 31 December 2024 (“**Corresponding Year**”), gross profit of HK\$28.6 million as compared with HK\$30.0 million in Corresponding Year and net loss of HK\$37.0 million as compared with HK\$35.3 million in Corresponding Year.

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 five major scopes: (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 dome 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 purpose only

In 2025, the external environment underwent drastic changes, with increasing domestic difficulties and challenges, a complex and severe situation has arisen. However, as affected by the national “dual-carbon” strategy and the policy of building a leading sports powerhouse, the air dome industry will usher in a period of significant development opportunities.

(i) Sports Sector

In August 2025, the General Office of the State Council issued the Opinion on Unleashing the Potential of Sports Consumption and Further Promoting the High-Quality Development of the Sports Industry (《關於釋放體育消費潛力進一步推進體育產業高品質發展的意見》), proposing to stimulate sports consumption demand and expand sports consumption scenarios. It encourages the legal use of industrial plants, commercial buildings and warehouses to create sports and fitness spaces, and fully utilises various “golden corner and silver edge” spaces within the city to build “small but beautiful” public fitness facilities. It provides guidance for commercial complexes, scenic spots, business districts and streets to introduce sports and fitness, sports events and other types of operation. The creation of a number of immersive sports consumption scenarios in stadiums, sports parks and sports camps is supported. As a low-cost, rapid-deployment, energy-saving, and environmental-friendly new sports facility, air dome structures are very suitable for the renovation of idle “golden corner and silver edge” spaces within the city, making full use of scattered urban and rural land and addressing the shortcomings in urban and rural public fitness facilities. Using air dome structures complying environmental protection and safety requirements to construct public stadiums, public fitness centers, sports parks and other facilities, it will further implement the national fitness strategy, promote mass sports consumption, and drive the high-quality development of the sports economy.

(ii) Industrial Environmental Protection Sector

2025 is the conclusion of the 14th Five-Year Plan and a year of significant progress in the battle against pollution. In May 2025, the State Council Executive Meeting reviewed and approved the Action Plan for Green and Low-Carbon Development of Manufacturing (2025–2027) (《製造業綠色低碳發展行動方案(2025–2027年)》). The meeting emphasised that promoting green and low-carbon development in manufacturing is an inevitable trend, requiring accelerated innovation in green technologies and the promotion and application of advanced green technologies to strengthen the green foundation of new industrialisation. It stresses the need to promote the deep green transformation of traditional industries, actively applying advanced equipment and processes in conjunction with policies such as large-scale equipment upgrades, and accelerating the green transformation and upgrading of key industries. It also provides guidance for emerging industries towards high-starting-point green development, increasing the promotion of clean energy and green products, and improving resource recycling levels. It calls for strengthening research on common technologies, improving standards in key areas, optimising relevant policies, and establishing a sound green manufacturing and service system to better support and assist enterprises in their

transformation and upgrading. Due to their excellent sealing and spatial flexibility, air dome structures have become a potential choice for industrial enterprises to transform and upgrade and optimise production space, providing a market opportunity for the further expansion of air dome in the industrial field. The powerful self-adjustment capability of air dome structures allows them to easily cope with complex terrains, eliminating the need for extensive earthwork and reducing construction costs and carbon footprint. The absence of internal beams and columns maximises space utilisation, improving storage efficiency and reducing floor space requirements. Excellent airtightness prevents raw materials from becoming damp or deteriorating, and the stable internal storage environment reduces material loss. MetaSpace has always adhered to the concept of innovation and excellence, committed to exploring more spatial applications for large-span inflatable structures, continuously creating more green, low-carbon, and sustainable ideal spatial environments, contributing to energy conservation and carbon reduction, and promoting green and sustainable development.

(iii) Green Warehousing Sector

In June 2025, several departments of the State Council jointly issued the Opinion on Promoting High-Quality Development of Inland Waterway Transportation (《關於推動內河航運高品質發展的意見》), requiring the seizing of the current strategic opportunity period for inland waterway transportation development, focusing on the theme of high-quality development, and aiming to comprehensively build a modern inland waterway transportation system that is smooth, efficient, green, intelligent, safe, resilient, and well-supported, thereby creating green and low-carbon ports. Air dome structures have excellent sealing properties, effectively preventing the leakage of industrial dust and harmful gases, reducing environmental pollution. Through its comprehensive advantages in improving warehousing efficiency, reducing carbon emissions, lowering costs, enhancing environmental performance and ensuring cargo safety, air dome technology has significant development prospects in the transportation and logistics sector. Its unique structure and function provide efficient, economical, and environmental friendly solutions for warehousing management, contributing to the high-quality development of green warehousing and logistics. Meanwhile, the carbon emissions generated during the construction and maintenance of air dome structures are relatively low, effectively reducing the overall carbon footprint of ports, aligning with sustainable development policies and further contributing to the creation of green ports.

(iv) Construction Sector

The 14th Five-Year Plan for Building Energy Conservation and Green Building Development (《“十四五”建築節能與綠色建築發展規劃》) laid the policy foundation for the application of air dome technology in building construction. It requires that by 2025, all newly constructed urban buildings shall fully implement green building standards and vigorously promote the development of ultra-low energy consumption and near-zero energy consumption buildings. Air dome technology has significant advantages in reducing construction dust and noise, as well as lowering energy consumption, which

aligns perfectly with the policy direction. Coupled with the Technical Guidelines for Air Dome Pit Construction in Beijing's Housing Construction and Municipal Infrastructure Projects (《北京市房屋建築和市政基礎設施工程基坑氣膜技術導則》) released in May 2024, the introduction and implementation of these policies have not only improved the standardisation of air dome technology in the construction field, but also greatly increased the enthusiasm of enterprises to apply this technology, providing strong support for its large-scale promotion and application in the construction industry.

During the Current Year, the level of revenue recognised had been steady when compared to Corresponding Year, as the construction activity and project deliveries gradually returned to normal levels in recent years. Leveraging stronger technical capabilities, MetaSpace enhanced the functionality of its air-dome systems, broadening their performance and reliability. These product improvements, together with a more diversified set of applications, allowed MetaSpace to better align its offerings with evolving market needs. Consequently MetaSpace had secured new contracts totalled RMB175 million. With substantial new contracts in the pipeline, the management is cautiously optimistic about the performance in coming years.

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 Year, the Group's lending business contributed interest income of HK\$2.4 million (Corresponding Year: HK\$3.1 million). As at 31 December 2025, there were three (2024: four) active loan accounts, gross loan balances of which were HK\$21.5 million (2024: HK\$27.0 million). The tenors of the loans were 12 months (2024: 12 months). The weighted average interest rate of the outstanding loans as of 31 December 2025 was 11.0% (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

Other than the businesses above-mentioned, the management strived to look for and explored into potential ventures in the market, with a hope to maximise shareholders' interest while optimising the Group's resources. Yet unfortunately none of these ventures were managed to crystallise into profitable projects. As of 31 December 2025 the scale and profitability of those were relatively insignificant and uncertain.

FINANCIAL REVIEW

Revenue and Gross Profit

In Current Year, the Group's revenue, predominately contributed from the sports and entertainment business, was HK\$190.6 million, improved from that of HK\$169.7 million in Corresponding Year. Gross margin of Current Year was 15.0%, slightly worse than that of 17.7% of Corresponding Year. The smaller gross margin was a result that more industrial projects were carried out which were of slimmer margin due to market competition.

Other Income and Gains or Losses

In Current Year, the Group had other income of HK\$10.0 million (Corresponding Year: HK\$10.0 million). Other income mainly included interest income, investment income and rental income.

Meanwhile, the Group recorded other losses of less than HK\$0.1 million (Corresponding Year: other gains of HK\$5.8 million). Other gains or losses represented incidental gains or losses arising upon derecognition of assets (including financial assets, and property, plant and equipment) as well as fair value changes in financial assets at fair value through profit or loss.

Selling and Distribution Expenses

Selling and distribution expenses were largely the employee benefit expenses incurred by marketing department, and the miscellaneous expenditures involved in exhibitions or public events for the Sports and Entertainment Business.

Administrative Expenses

Administrative expenses in the Current Year mainly composed of employee benefit expenses of HK\$19.3 million, research and development cost of HK\$10.5 million, as well as depreciation and amortisation charge of HK\$4.9 million.

The drop in administrative expenses was driven by the smaller research and development cost incurred.

Impairment of Financial and Contract Assets, net

The amount represented the net changes in the provision for expected credit loss made for debt investments, trade receivables and contract assets.

Other Expenses and Losses

Other expenses and losses were mainly impairment losses on inventories in the ordinary course of business.

Finance Costs

Finance costs were HK\$2.3 million in Current Year (Corresponding Year: HK\$1.7 million), being interest on borrowings and interest on lease liabilities.

Net Loss after Taxation

The Group recorded a net loss of HK\$37.0 million in Current Year, HK\$1.7 million larger than Corresponding Year. Although the impairment losses recognised in Current Year reduced by HK\$10.0 million (particularly in contract assets), the sports and entertainment business noted a shrink in gross profit, together with smaller other income and gains and losses and larger tax expense, these drove and enlarged the extent of loss in Current Year.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

During the year ended 31 December 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

FINANCIAL POSITION

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 Company 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.

In Current Year, investment income from bonds was HK\$0.9 million (Corresponding Year: HK\$1.5 million). Besides, a fair-value loss of HK\$1.0 million (Corresponding Year: fair-value gain of HK\$0.4 million) was recognised in the equity, while an impairment loss of HK\$1.0 million (Corresponding Year: HK\$0.2 million) was recognised in the profit or loss.

As at 31 December 2025				
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	0.86%
17	New World Development Co. Ltd. (9%, perpetual)	411	3,072	0.77%
1668	China South City Holdings Ltd.			
	(a) 9%, due 2024	408	557	
	(b) 9%, due 2024	413	579	
	(c) 9%, due 2024	415	584	
		<u>1,236</u>	<u>1,720</u>	<u>0.43%</u>
	Other debt investments individually insignificant	<u>4,367</u>	<u>694</u>	<u>0.17%</u>
		<u><u>6,518</u></u>	<u><u>8,899</u></u>	<u><u>2.24%</u></u>

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss held by the Group included both listed equity investment and unlisted equity investment.

The listed equity investments represented securities listed in Hong Kong Stock Exchange and Shenzhen Stock Exchange, while the unlisted equity investment represented an equity interest in a private company engaged in the pharmaceutical industry in the PRC.

During the Current Year, investment income from financial assets at fair value through profit or loss recognised in profit or loss amounted to HK\$0.4 million (Corresponding Year: HK\$0.4 million).

Liquidity, Financial Resources and Capital Structure

As at 31 December 2025, the Group is in a net cash position of HK\$1.4 million (2024: HK\$25.3 million), with cash and bank balances of HK\$59.0 million (2024: HK\$75.5 million) and interest-bearing bank and other borrowings of HK\$57.6 million (2024: HK\$50.2 million).

The Group's net cash outflow from operating activities for the Current Year amounted to HK\$29.0 million (Corresponding Year: HK\$27.8 million).

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

	31 December 2025	31 December 2024
Liquidity ratios		
Current ratio ⁽¹⁾	1.06	1.18
Quick ratio ⁽²⁾	0.87	0.97
Capital adequacy ratios		
Gearing ratio ⁽³⁾	0.49	0.33
Debt to total assets ratio ⁽⁴⁾	0.15	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

Capital Expenditure

The Group's capital expenditure was HK\$0.9 million (Corresponding Year: HK\$2.6 million), representing additions to property, plant and equipment of the Group.

Capital Commitments

As at 31 December 2025, the Group did not have significant capital commitments (2024: nil).

Contingent Liabilities

As at 31 December 2025, the Group did not have any significant contingent liability (2024: nil).

Charges on Assets

As at 31 December 2025, except for 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 for securing the Group's interest-bearing bank borrowings (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.

EVENTS AFTER THE REPORTING PERIOD

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

Nevertheless, the management is actively looking for opportunities to expand the Group's overseas business and is contemplating exploring and developing related business in Central Asia and Africa. The management believes that the mining industry in Central Asia and Africa is booming, and there are huge business opportunities in using air-domes as storage and living facilities. The Group's experienced engineering team can also learn in these mining exploration and ancillary projects, looking for potentially lucrative side revenue streams for the Group.

POSSIBLE RISK EXPOSURE

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, debt investments at fair value through other comprehensive income and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. The Group will adhere to a robust credit approval procedure when granting credits to new customers of Sports and Entertainment Business. The Group also regularly reviews and monitors the level of exposure and credibility of counterparties to ensure that prompt 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's credit risk is properly addressed.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

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.

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 with respect to Renminbi and United States dollar. Foreign exchange risk arises from future commercial transactions, as well as recognised assets and liabilities. The Group's exposure to foreign exchange risks also related to bank balances denominated in and debt investments denominated in United States Dollars (USD) in Hong Kong. Given the fact that the Hong Kong Dollar is pegged to the USD under the Linked Exchange Rate System, the fluctuation of the exchange rate of this pair is not significant. The Group mainly operates in the PRC with most of the transactions settled in RMB and certain transactions with other Asian countries denominated in USD. The Group may enter foreign currency forward contracts which are aligned with the terms of receivables to mitigate the exposure. Overall, management considers that the Group's businesses are not exposed to significant foreign exchange risk as there are no significant financial assets or liabilities of the Group are denominated in the currencies other than the respective functional currencies of the Group's entities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 124 (2024: 128) full-time employees in Hong Kong and the PRC. 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 determined 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.

DIVIDEND

The Board does not recommend the payment of any final dividend to shareholders for Current Year. 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.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company had complied with all the code provisions as set out in the CG Code throughout the year ended 31 December 2025 and up to the date of this annual report, except 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 year ended 31 December 2025, Mr. Liu Xue Heng has been 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.

AUDIT COMMITTEE REVIEW

The Company has an audit committee which was established in accordance with the requirements of the CG code, for the purposes of reviewing and providing supervision over the financial reporting process, risk management and internal controls of the Group. The audit committee comprises 3 independent non-executive directors of the Company. The audit committee has adopted terms of reference which are in line with the CG Code. The Group's consolidated financial statements for the year ended 31 December 2025 have been reviewed and approved by the audit committee.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Company's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 on this announcement have been agreed by the auditors of the Company, Moore CPA Limited, to the amounts set out in the Company's audited consolidated financial statements for the year. The work performed by the auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditors on this preliminary announcement.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares, including sale of treasury shares (the "Treasury Shares") within the meaning under the Listing Rules. As at 31 December 2025, the Company did not hold any Treasury Shares.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL 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 annual report of the Company will be dispatched 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 facilitating and optimising the Group's business operations and structures in face of challenges.

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

Hong Kong, 26 March 2026

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.