

CHINA FRONTIER TECHNOLOGY GROUP 中國前沿科技集團

Stock Code:1661

(Incorporated in the Cayman Islands with limited liability)

INTERIM REPORT
2024





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Corporate Information

EXECUTIVE DIRECTORS

Ms. Ren Wen (also known as Ms. Ren Guozun)
(*Co-chairlady*)
Mr. Wong Man Keung (*Co-chairman*)
(appointed on 23 January 2024)
Ms. Ren Song (*Co-chairlady*)
(appointed on 23 January 2024)
Mr. Sheng Jie (*Vice Chairman*)
Mr. Chang Hai Song (appointed on 30 April 2024)
Ms. Wang Jie (appointed on 30 April 2024)
Ms. Zhang Panpan (appointed on 16 September 2024)
Ms. Zhang Jing Jing (appointed on 30 April 2024 and
resigned on 16 September 2024)
Dr. Shen Wei (resigned on 23 January 2024)
Ms. Hao Bin (resigned on 23 January 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Gao Wenjuan (appointed on 23 January 2024)
Ms. Leung Hiu Man (appointed on 30 April 2024)
Mr. Wu Mingcong (appointed on 9 September 2024)
Ms. Peng Xiaoliu (appointed on 9 September 2024)
Mr. Chen Zhijian (resigned on 9 September 2024)
Mr. Jin Guoqiang (resigned on 9 September 2024)
Mr. Lee Kin Fai (appointed on 23 January 2024 and
resigned on 30 April 2024)
Mr. Ip Kwok On Sammy (resigned on 23 January 2024)

AUDIT COMMITTEE

Ms. Leung Hiu Man (*Chairman*)
(appointed on 30 April 2024 and re-designated as
the chairman on 9 September 2024)
Ms. Gao Wenjuan (appointed on 9 September 2024)
Mr. Wu Mingcong (appointed on 9 September 2024)
Mr. Chen Zhijian (resigned on 9 September 2024)
Mr. Jin Guoqiang (resigned on 9 September 2024)
Mr. Lee Kin Fai (appointed on 23 January 2024 and
resigned on 30 April 2024)
Mr. Ip Kwok On Sammy (resigned on 23 January 2024)

REMUNERATION COMMITTEE

Mr. Wong Man Keung (*Chairman*)
(appointed as the chairman on 9 September 2024)
Ms. Gao Wenjuan (appointed on 9 September 2024)
Ms. Leung Hiu Man (appointed on 9 September 2024)
Mr. Chen Zhijian (resigned on 9 September 2024)
Mr. Jin Guoqiang (resigned on 9 September 2024)
Dr. Shen Wei (resigned on 23 January 2024)

NOMINATION COMMITTEE

Mr. Wong Man Keung (*Chairman*)
(appointed on 23 January 2024)
Ms. Gao Wenjuan (appointed on 9 September 2024)
Ms. Leung Hiu Man (appointed on 30 April 2024)
Mr. Lee Kin Fai (appointed on 23 January 2024 and
resigned on 30 April 2024)
Mr. Ip Kwok On Sammy (resigned on 23 January 2024)
Mr. Jin Guoqiang (resigned on 9 September 2024)

COMPANY SECRETARY

Mr. Wong Ka Sing (appointed on 31 July 2024)
Mr. Chan Kui Ming (appointed on 23 January 2024 and
resigned on 31 July 2024)
Ms. Hao Bin (resigned on 23 January 2024)

AUTHORISED REPRESENTATIVES

Mr. Wong Man Keung (appointed on 23 January 2024)
Mr. Wong Ka Sing (appointed on 5 August 2024)
Mr. Sheng Jie (resigned on 5 August 2024)
Ms. Hao Bin (resigned on 23 January 2024)

COMPANY'S REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

COMPANY'S HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room B, 23/F
Yardley Commercial Building
3 Connaught Road West
Sheung Wan, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN PRC

No. 020, Room 303, 3rd Floor, Block 10
Courtyard No. 2, Shangjialou Road
Chaoyang District
Beijing, PRC

AUDITOR

Infinity CPA Limited
Certified Public Accountants
Room 1501, 15/F, Olympia Plaza
255 King's Road,
North Point
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

WEBSITE

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Management Discussion and Analysis

GROUP OVERVIEW

After the end of the novel coronavirus pandemic, in 2024, the Group continued to broaden its operational thinking to aggressively explore possible opportunities for various sports events at home and abroad, actively approached and communicated with related parties, and achieved phased results. These early efforts have also laid a good foundation for the diversification of the Group's business expansion in the future.

OUTLOOK OF THE INDUSTRY AND THE GROUP

In 2024, sports events at home and abroad will take place one after another. The commencement of the Paris Olympic Games, the Copa America and other prestigious competitions will further stimulate the public enthusiasm for sports, and inspire people's willingness to participate in outdoor sports, contributing to a booming outdoor sports market.

The Group is firmly optimistic about the development prospects of the global sports industry, and under the backdrop of the rising public enthusiasm for sports and the rapid development of the sports industry, the Company will also rely on its own business foundation for professional events operation to keep abreast with the development trend of the sports market at home and abroad. In addition, artificial intelligence (AI) technology is constantly penetrating into various industries and fields, accelerating the deep integration of industries. The Group is also developing along this path.

In 2024, the Group will focus on the following two tasks:

I. Professional events operation and high-end sports services

In the first half of 2024, the Group successfully held the "2024 HKU Global CEO Golf Celebrity Invitation • Singapore Station*" ("2024香港大學全球CEO高爾夫名人邀請賽•新加坡站") and the "Hong Kong Station*" ("香港站") of the same event, which is the first international high-end golf event held by the Group. Starting from the successful holding of this event, the Group will formally enter the field of overseas high-end golf events operation, and further diversify its product mix through business expansion for the operation of high-end sports events such as golf to avoid project homogenisation and better meet the needs of different sports enthusiasts, thereby broadening the Group's revenue sources. In the second half of 2024, the Group will hold the "2024 HKU Global CEO Golf Celebrity Invitation • 3rd Station*" ("2024香港大學全球CEO高爾夫名人邀請賽•第三站").

At a time when global green sports are booming and the public enthusiasm for sports activities is surging, the Group will rely on its successful experience accumulated in offline sports events for many years to vigorously develop the high-end golf events operation business at home and abroad, so as to provide sports enthusiasts and consumers with more diversified sports games and product content and higher level of professional sports services.

* for the identification purpose only

II. AI asset management services

In recent years, the global scientific and technological development has never stopped, and new technologies have emerged one after another. Especially since 2023, AI-Generated Content (AIGC) has experienced explosive development driven by the success of global phenomenal applications represented by ChatGPT, and the disruptive development of AI has swept from the wave of scientific and technological revolution to the wave of industrial revolution, and AI technology is constantly penetrating into various industries and fields, accelerating the deep integration of industries.

The Group has carefully reviewed the evolving trend of cutting-edge technology represented by AI, which is developing rapidly, and its huge potential and investment value. To actively respond to the call of this era in which a new round of scientific and industrial revolution is in full swing, the Group is considering the feasibility of developing a new business with cutting-edge technology asset management services as the core, for which the Group will focus on building an investment holding platform for emerging technology industry featured by globalization, high-technology and large capital, identify the most cutting-edge and valuable potential investment and acquisition opportunities in high-tech fields, and explore the infinite possibilities of application services for cutting-edge technology-empowered industries (such as AI+ industry). The Group has also officially changed its name to “China Frontier Technology Group”.

In 2024, the Group will firmly grasp the market opportunities in the industry with great development potential and broad prospects to explore potential demand, adhere to new positioning and new strategies to promote the high-quality development of the two principal businesses of professional events operation and high-end sports services and cutting-edge technology asset management services, and develop the Group into a comprehensive enterprise focusing on the sports industry and radiating the fields of sports and health, high-tech asset management and financial services, for which the Group will be determined to innovate, strive for progress, and actively embrace a new future in a new posture.

Management Discussion and Analysis

FINANCIAL REVIEW

During the reporting period, the Group had two business divisions which represented two reportable operating segments, namely:

- (a) the Events Operation and Marketing segment, which provides marketing services in conjunction with sports-related competitions. Its revenue includes corporate sponsorship income; and
- (b) the Sports Services segment, which mainly provides services to government, third-party professional companies and marathon runners in conjunction with sports-related competitions and other events. Types of revenue mainly include events service income, rental income from equipment, and individual consumption income.

Revenue

The Group's revenue increased by approximately 761.5% to RMB22.4 million for the six months ended 30 June 2024 from RMB2.6 million for the six months ended 30 June 2023, which was mainly due to the increase in revenue from Events Operation and Marketing. Details based on reportable segments are as follows:

- Revenue of the Events Operation and Marketing segment increased by approximately 21.8 times to RMB20.5 million for the six months ended 30 June 2024 from RMB0.9 million for the six months ended 30 June 2023; and
- Revenue of the Sports Services segment increased by approximately 5.9% to RMB1.8 million for the six months ended 30 June 2024 from RMB1.7 million for the six months ended 30 June 2023.

Cost of Services

The Group's cost of services increased by approximately 432.1% to RMB14.9 million for the six months ended 30 June 2024 from RMB2.8 million for the six months ended 30 June 2023, which was mainly due to the increase in the cost of services for Events Operation and Marketing. Details based on reportable segments are as follows:

- Cost of the Events Operation and Marketing segment increased by approximately 12.7 times to RMB13.7 million for the six months ended 30 June 2024 from RMB1.0 million for the six months ended 30 June 2023; and
- Cost of the Sports Services segment decreased by 33.3% to RMB1.2 million for the six months ended 30 June 2024 from RMB1.8 million for the six months ended 30 June 2023.

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

As a result of the aforementioned factors, the Group recorded a gross profit of RMB7.5 million for the six months ended 30 June 2024 as compared to a gross loss of RMB0.2 million recorded for the six months ended 30 June 2023. The Group recognised a gross profit margin of 33.5% for the six months ended 30 June 2024 as compared to a gross loss margin of 7.7% for the six months ended 30 June 2023. Details based on reportable segments are as follows:

- As a result of the foregoing changes in revenue and cost of services of the Events Operation and Marketing segment, the gross profit for the Events Operation and Marketing segment amounted to RMB6.9 million for the six months ended 30 June 2024 as compared to a gross loss of RMB0.1 million recorded for the six months ended 30 June 2023. The Group recognised a gross profit margin of 33.7% for the six months ended 30 June 2024 as compared to a gross loss margin of 11.1% for the six months ended 30 June 2023. The change in gross profit was mainly due to increase in revenue and gross profit from “2024 HKU Global CEO Golf Celebrity Invitation • Singapore Station” (“2024香港大學全球CEO高爾夫名人邀請賽 • 新加坡站”) and the “Hong Kong Station” (“香港站”) of the same event; and
- As a result of the foregoing changes in revenue and cost of services of the Sports Services segment, the Group recorded a gross profit for the Sports Services segment of RMB0.6 million for the six months ended 30 June 2024 as compared to a gross loss of RMB0.1 million recorded for the six months ended 30 June 2023. The Group recognised a gross profit margin of 33.3% for the six months ended 30 June 2024 as compared to a gross loss margin of 5.9% for the six months ended 30 June 2023. The change in the gross profit was mainly due to a reduction in event expenditure.

Selling and Distribution Expenses

The Group’s selling and distribution expenses decreased by approximately 100% to RMB Nil for the six months ended 30 June 2024 from RMB0.4 million for the six months ended 30 June 2023. The decrease in the selling and distribution expenses was mainly due to less business expenses incurred by the Group in the operation of the events.

General and Administrative Expenses

The Group’s general and administrative expenses decreased by approximately 76.8% to RMB4.9 million for the six months ended 30 June 2024 from RMB21.1 million for the six months ended 30 June 2023. The decrease was mainly due to the decrease of the Group’s labor costs in respect of the general and administrative staff.

Other Income

The Group’s other income increased by approximately 191.2% to RMB16.6 million for the six months ended 30 June 2024 from RMB5.7 million for the six months ended 30 June 2023. The increase was mainly due to the increase in the income generated from the treasury products purchased from reputable financial institutions and in the interest income from short-term bank deposit.

Management Discussion and Analysis

Other (Loss)/Gain, Net

The Group recorded a net other loss of RMB3.2 million for the six months ended 30 June 2024 as compared to a net other gain of RMB13.9 million recorded for the six months ended 30 June 2023. The change was mainly due to no gain on the disposal of property, plant, and equipment was recognised for the six months ended 30 June 2024, while approximately RMB13.6 million in gain on the disposal of property, plant, and equipment was recorded for the six months ended 30 June 2023.

Profit/(Loss) before Tax

As a result of the foregoing, the Group recognized a profit before tax of RMB14.8 million for the six months ended 30 June 2024 as compared to a loss before tax of RMB6.4 million for the six months ended 30 June 2023.

Income Tax Expense

The Group's income tax expense amounted to RMB0.7 million for the six months ended 30 June 2024 from RMB Nil was recorded for the six months ended 30 June 2023. The increase was mainly due to the Group had taxable gains.

Profit/(Loss) Attributable to the Owners of the Company

As a result of the foregoing, the Group recognized the profit attributable to the owners of the Company of RMB14.1 million for the six months ended 30 June 2024 as compared to the loss attributable to the owners of the Company of RMB6.4 million for the six months ended 30 June 2023.

Other Comprehensive (Expense)/Income

The Group recorded an other comprehensive expense of RMB1.1 million for the six months ended 30 June 2024 as compared to an other comprehensive income of RMB12.1 million recorded for the six months ended 30 June 2023. The change was mainly due to the exchange differences on translation from functional currency to presentation currency in respect of the investment and deposit of Wisdom London Limited, a wholly-owned subsidiary of the Company incorporated in England and Wales in February 2022.

Cash Flow

As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately RMB266.3 million compared with that of RMB173.7 million as at 31 December 2023. The cash and cash equivalents are denominated in Hong Kong dollars, United States dollars and British pound sterling but presented in the functional currency of RMB by the Group.

Working Capital

The Group's net current assets increased by approximately 47.2% to RMB323.0 million as at 30 June 2024 from RMB219.5 million as at 31 December 2023. The Group maintained a stable net current asset value and a relatively high level of working capital that can adequately meet the daily working capital requirements and finance the business development.

Capital Expenditure

The Group's total spending on the acquisition of property, plant and equipment amounted to RMB0.51 million for the six months ended 30 June 2024 (for the six months ended 30 June 2023: RMB Nil).

Bank Borrowings

The Group's bank borrowings amounted to RMB6.7 million as at 30 June 2024 which is basically the same as the amount as at 31 December 2023.

Foreign Exchange

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Treasury Policies

The Company continues to adopt a prudent financial management approach towards its treasury policy. The Board will closely monitor the liquidity position to ensure that the liquidity structure of the Company's assets, liabilities and other commitments meets its funding requirements from time to time.

LIQUIDITY AND FINANCIAL RESOURCES OF THE GROUP

In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with banks. As at 30 June 2024, the Group had net current assets of RMB323.0 million (31 December 2023: RMB219.5 million), of which cash and cash equivalents amounted to RMB266.3 million (31 December 2023: RMB173.7 million). The cash and cash equivalents are denominated in Hong Kong dollars, United States dollars and British pound sterling but presented in the functional currency of RMB by the Group. As at 30 June 2024, the Group has bank borrowings of RMB6.7 million (31 December 2023: RMB6.6 million).

The Group adopts a prudent approach in treasury management, ensuring that the Group maintains strong reserves of cash to finance its daily operations and future developments. In addition to the Group's payment arrangements with the clients set forth in the relevant agreements, the Group conducts a periodic review of their payment progress in the Group's internal control system and assesses the Group's credit policy. After taking into account a series of factors, including transaction volume, length of business relationship, prior dealing history with the Group, creditworthiness, industry practice, macroeconomic and market competition environment and the financial position, working capital needs and marketing and sales strategy of the Group, the Group may further extend credit periods ranging from three to six months for some clients. Such extension of credit periods is granted on a case-by-case basis and not set forth in the payment terms of the Group's agreements with relevant clients. The Group will continue to monitor the payment progress of these clients and take appropriate measures as to the collection of trade receivables based on the Group's assessment and ongoing communications with such clients. The Board will also closely monitor the liquidity position to ensure that the liquidity structure of the Company's assets, liabilities and other commitments meets the funding requirements from time to time.

The Group has not experienced any material impact or effect on its operations or liquidity as a result of fluctuations in foreign exchange rates for the six months ended 30 June 2024, nor has the Group used any financial instruments for hedging purposes as the risk of exposure to fluctuations in exchange rates is comparatively low.

Management Discussion and Analysis

CAPITAL STRUCTURE OF THE GROUP

The reorganisation of the Group as set out in the prospectus of the Company dated 28 June 2013 was completed on 24 June 2013. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) on 11 July 2013 (the **"Listing Date"**). On 7 August 2013, the Company issued an additional 9,045,000 ordinary shares at the offer price of HK\$2.11 each to the public upon the partial exercise of the over-allotment option. The options to subscribe for a total of 1,210,000 shares and 2,500,000 shares of the Company were granted on 23 May 2014 and 29 May 2015, respectively, to employees of the Group. As at the date of this interim report, no option has been exercised.

The number of issued ordinary shares of the Company (the **"Shares"**) as at 30 June 2024 was 1,902,942,000 Shares (31 December 2023: 1,592,942,000 Shares).

The authorised share capital of the Company as at 30 June 2024 was US\$1,000,000 divided into 4,000,000,000 Shares with par value of US\$0.00025 each (31 December 2023: US\$1,000,000 divided into 4,000,000,000 Shares with par value of US\$0.00025 each).

The Subscription

On 6 March 2024, 310,000,000 shares (the **"Subscription Shares"**) were allotted and issued by the Company to ND Medical Technology Limited (the **"Subscriber"**), an independent third party, under the general mandate at a subscription price of HK\$0.139 per Subscription Share. The net proceeds from the Subscription were approximately HK\$43 million, representing a net price of approximately HK\$0.139 per Subscription Share. These proceeds are intended for the development of sports events, the provision of sports services, and working capital for the Group. As of the date of this interim report, the Company has utilized approximately HK\$15 million, representing 34.9% of the net proceeds from the Subscription for the aforementioned purposes. Approximately HK\$28 million remains unutilized, and it is expected that the remainder will be utilized by 31 December 2024.

Details of the Subscription and the Subscriber were set out in the Company's announcements dated 6 March 2024, 7 March 2024, and 15 March 2024.

Save for the above, there was no alternation in the capital structure of the Group for the six months ended 30 June 2024.

CHARGE ON ASSETS

As at 30 June 2024, there was no charge on the Group's assets.

CONTINGENT LIABILITIES

As at 30 June 2024, the Company had no material contingent liabilities.

ADVANCE TO ENTITY PROVIDED BY THE COMPANY

Beijing Allx Loan

On 2 November 2017, (i) Zhejiang Wisdom Sports, (ii) China Merchants Bank Beijing Guanghua Road branch ("**China Merchants Bank**") and (iii) Beijing Allx Health Technology Co., Ltd.* (北京全向時空健康科技有限公司) ("**Beijing Allx**") entered into a loan agreement (the "**2017 Beijing Allx Loan Agreement**"), pursuant to which Zhejiang Wisdom Sports agreed to entrust China Merchants Bank to provide a two-year loan of RMB50 million to Beijing Allx, which bears interest at a rate of 4.75% per annum (the "**Beijing Allx Loan**").

On 1 November 2019, Zhejiang Wisdom Sports and Beijing Allx entered into an agreement to renew the Beijing Allx Loan. Save for the extension of the repayment date, other terms under the 2017 Beijing Allx Loan Agreement remained unchanged.

On 28 October 2022, Zhejiang Wisdom Sports and Beijing Allx further entered into another agreement to renew the Beijing Allx Loan, pursuant to which Zhejiang Wisdom Sports agreed to further renew the Beijing Allx Loan and amend the interest rate from 4.75% to 3.65% per annum. The loan was fully settled during the current period.

* for the identification purpose only

Management Discussion and Analysis

Eastern Green Loan

On 17 September 2018, Zhejiang Wisdom Sports and Eastern Green Energy (Beijing) Technology Co., Ltd. (東方綠能(北京)科技有限公司) (“**Eastern Green**”) entered into a loan agreement (the “**Eastern Green Loan Agreement**”), pursuant to which Zhejiang Wisdom Sports agreed to provide a short-term loan of RMB20 million to Eastern Green (the “**Eastern Green Loan**”), which bears interest at a rate of 5% per annum from 30 September 2018 to 28 December 2018. The Eastern Green Loan was guaranteed by Yingkou Tongfang Energy Technology Co., Ltd.* (營口同方能源技術有限公司) (“**Yingkou Tongfang**”), a subsidiary of Eastern Green. On 30 September 2018, Zhejiang Wisdom Sports and Eastern Green entered into the first supplemental agreement to Eastern Green Loan Agreement to amend its principal amount to RMB10 million and extend its term to 29 March 2019. On 29 March 2019 and 30 September 2019, Zhejiang Wisdom Sports and Eastern Green entered into the second and third supplemental agreements to Eastern Green Loan Agreement to further extend the term of the loan to 30 September 2021, secured with a commercial property located in Beijing, the PRC.

On 30 September 2021, Zhejiang Wisdom Sports and Eastern Green entered into the fourth supplemental agreement to Eastern Green Loan Agreement (the “**Fourth Supplemental Agreement**”) to extend its term to 30 September 2024 and amend the interest rate to 4.5% per annum. Save for the extension of the repayment date and the change of the interest rate, other terms under the Green Eastern Loan Agreement remained unchanged.

The financial advances to entities under Rule 13.20 of the Listing Rules and the details of the above transactions have been disclosed in the announcement of the Company dated 8 August 2023 and the circular of the Company dated 25 August 2023. The loan was fully settled during the current period.

PLEDGING OF SHARES BY CONTROLLING SHAREHOLDERS

As at 30 June 2024, the controlling shareholders had not pledged all or part of their interests in the shares of the Company to secure the Company’s debts or to secure guarantees or other support of their obligations.

BREACH OF LOAN AGREEMENT

As at 30 June 2024, the Company had not breached any terms of its loan agreements for loans that are significant to its operations.

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE

During the six months ended 30 June 2024, the Company had not entered into any loan agreement that includes a condition imposing specific performance obligations on any controlling shareholder and breach of such an obligation will cause a default in respect of loans that are significant to the Company’s operations.

* for the identification purpose only

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES BY THE COMPANY

During the six months ended 30 June 2024, the Company had not provided any financial assistance and guarantees to affiliated companies of the Company which is subject to disclosure requirements under Rule 13.22 of the Listing Rules.

FINANCIAL RATIO

The table below sets forth selected financial ratios of the Group:

Financial ratio	As at 30 June 2024	As at 31 December 2023
Current ratio	982.97%	690.90%
Gearing ratio	9.58%	10.61%

Notes:

1. Current ratio represents a ratio of current assets to current liabilities.
2. Gearing ratio is calculated as total liabilities divided by total assets.

HUMAN RESOURCES

The total number of employees of the Group was 21 as at 30 June 2024 (31 December 2023: 18). The Group implements a remuneration policy that is competitive in the industry, and pays commissions and discretionary bonuses to its sales personnel and other employees with reference to performance of the Group and individual employees. The total cost of the employees for the six months ended 30 June 2024 amounted to RMB2.0 million (31 December 2023: RMB18.8 million).

In accordance with the corporate development strategies along with the practical business needs, the Group has provided various training programs to its staff based on their positions via a number of channels, including induction courses for new staff, trainings of professional knowledge in connection with finance, internal control and evaluation of the value of each position, etc. as well as different special trainings.

CONNECTED TRANSACTIONS AND STRUCTURED CONTRACTS

As the business operation of Beijing Wisdom Media constitutes business activities which are subject to prohibition or restriction on foreign investment under the laws of the People's Republic of China (the “**PRC**”) (the “**Restricted Business**”), the Company cannot acquire equity interest in Beijing Wisdom Media. As a result, the Group has entered into a series of contracts (the “**Structured Contracts**”) designed to provide Beijing Wisdom Sports Industry Co., Ltd* (北京智美體育產業有限公司) (“**Beijing Wisdom Sports**”) and thus the Group with effective control over Beijing Wisdom Media and, to the extent permitted by the PRC laws and regulations, grant the right to the Group to acquire the equity interests in Beijing Wisdom Media upon listing. The Structured Contracts were entered into on 24 June 2013. Pursuant to the Structured Contracts, all material business activities of Beijing Wisdom Media are instructed and supervised by Beijing Wisdom Sports and all economic benefits and risks arising from the business of Beijing Wisdom Media are transferred to the Group. The Structured Contracts constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.42(3) of the then effective Chapter 14A of the Listing Rules (now Rule 14A.105 of the Listing Rules), the Company has applied to the Stock Exchange, and the Stock Exchange has granted a waiver from strict compliance with: (i) announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Structured Contracts; (ii) the requirement of setting a maximum aggregate annual value (i.e. an annual cap) for the fees payable to Beijing Wisdom Sports under the Structured Contracts; and (iii) the requirement of limiting the term of the Structured Contracts to three years or less.

Operating Entities of the Group Controlled through the Structured Contracts

During the six months ended 30 June 2024, the following entities are operating entities of the Group controlled through the Structured Contracts:

- (i) Beijing Wisdom Media, a limited liability company incorporated in the PRC and principally engaged in investment holding; and
- (ii) First AI Sports Technology (Shenzhen) Co., Ltd.* (第一智能體育科技(深圳)有限公司) (“**First AI Sports**”), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of Beijing Wisdom Media, principally engaged in the service provision for the live broadcasting of large-scale tournaments and marathon timing.

* for the identification purpose only

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors or chief executives of the Company in the shares of the Company (the “**Shares**”), underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in the Shares

Name of Director	Nature of interest	Number of Shares	Approximate percentage of shareholding interest [^]
Ms. Ren Wen	Founder of discretionary trust (<i>Note 1</i>)	202,780,000 (L)	10.66%
	Interest of controlled corporation (<i>Note 2</i>)	87,761,000 (L)	4.61%

Remarks: The letter “L” denotes the person’s long position in the Shares.

Notes:

- These 202,780,000 Shares were held by Queen Media Co., Ltd. (“**Queen Media**”). The entire issued share capital of Queen Media was owned by Sky Limited (“**Trust Co**”), whose entire issued share capital was the trust asset of the SKY Trust, which was founded by Ms. Ren Wen as settlor and managed by Credit Suisse Trust Limited as trustee for the SKY Trust, which was a trust established in accordance with the law of Guernsey. The discretionary beneficiaries of the SKY Trust included Ms. Ren Wen and her family members. Accordingly, Ms. Ren Wen was deemed or taken to be interested in all the Shares held by Queen Media for the purpose of the SFO.
 - Out of the 87,761,000 Shares, 64,971,000 Shares were held by Lucky Go Co., Ltd. and 22,790,000 Shares were held by Top Car Co., Ltd. Ms. Ren Wen held 100% equity interest in Lucky Go Co., Ltd. and 43.69% equity interest in Top Car Co., Ltd., respectively, and hence was deemed or taken to be interested in all the Shares held by Lucky Go Co., Ltd. and Top Car Co., Ltd. for the purpose of the SFO.
- [^] The percentage of interest in the Company is calculated by reference to the number of ordinary shares in issue as at 30 June 2024, that is 1,902,942,000 ordinary shares of the Company.

Disclosure of Interests

(ii) Long position in the shares of associated corporations

Name of Director	Name of associated corporation	Approximate percentage of shareholding interest
Ms. Ren Wen	Beijing Wisdom Media (<i>Note 1</i>)	91.54%
	First AI Sports (<i>Note 2</i>)	100%
Mr. Sheng Jie	Beijing Wisdom Media (<i>Note 1</i>)	8.46%

Notes:

1. Beijing Wisdom Media is an indirect subsidiary of the Company controlled through the Structured Contracts. For details, please refer to the subsection headed "Connected Transactions and Structured Contracts" in the section headed "Management Discussion and Analysis". Accordingly, Beijing Wisdom Media is an associated corporation of the Company within the meaning of Part XV of the SFO.
2. A wholly-owned subsidiary of Beijing Wisdom Media.

Save as disclosed above, as at 30 June 2024, none of the Directors, chief executives of the Company and their respective associates had any personal, family, corporate or other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as at 30 June 2024, according to the register of interest kept by the Company under section 336 of the SFO, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

(i) Long position in the Shares

Name of substantial shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding interest [^]
Trust Co	Interest of controlled corporation	202,780,000 (L) (Note 1)	10.66%
Credit Suisse Trust Limited	Trustee	202,780,000 (L) (Note 1)	10.66%
Brock Nominees Limited	Nominee	202,780,000 (L) (Note 1)	10.66%
Tenby Nominees Limited	Nominee	202,780,000 (L) (Note 1)	10.66%
Queen Media	Beneficial owner	202,780,000 (L) (Note 1)	10.66%
HKND Limited	Beneficial owner	400,000,000 (L) (Note 2)	21.02%
Mr. Wang Zhihan	Interest of controlled corporation	400,000,000 (L) (Note 2)	21.02%
ND MEDICAL TECHNOLOGY LIMITED	Beneficial owner	310,000,000 (L) (Note 3)	16.29%
Ms. WU Meizhen	Interest of controlled corporation	310,000,000 (L) (Note 3)	16.29%

Remarks: The letter "L" denotes the person's long position in the Shares.

Note:

- These 202,780,000 Shares were held by Queen Media. The entire issued share capital of Queen Media was owned by Trust Co, whose entire issued share capital was held as to 50% by Brock Nominees Limited and 50% by Tenby Nominees Limited. The entire issued share capital of Trust Co was the trust asset of the SKY Trust, which was founded by Ms. Ren Wen as settlor and managed by Credit Suisse Trust Limited as trustee for the SKY Trust, which was a trust established in accordance with the law of Guernsey. The discretionary beneficiaries of the SKY Trust included Ms. Ren Wen and her family members.
- These 400,000,000 Shares were held by HKND Limited. The entire issued share capital of HKND Limited is held by Mr. Wang Zhihan.
- These 310,000,000 Shares were held by ND MEDICAL TECHNOLOGY LIMITED. The entire issued share capital of ND MEDICAL TECHNOLOGY LIMITED is held by Ms. WU Meizhen.

[^] The percentage of interest in the Company is calculated by reference to the number of ordinary shares in issue as at 30 June 2024, that is 1,902,942,000 ordinary shares of the Company.

Save as disclosed above, as at 30 June 2024, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Important Events

SHARE OPTION SCHEME

Background

The Company conditionally adopted a share option scheme on 14 June 2013 for the purpose of recognizing and acknowledging the contributions the eligible participants had or may have made to the Group, which became effective on the Listing Date. The share option scheme was valid and effective for a period of 10 years from the date of its adoption and expired on 14 June 2023 (the “**Expired Share Option Scheme**”). The following is a summary of the principal terms of the Expired Share Option Scheme.

(a) Who may join

The Board may, at its discretion, grant options (the “**Option(s)**”) pursuant to the terms of the Expired Share Option Scheme to the substantial shareholders, Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the Company’s subsidiaries, employees of the Group and any other persons (including consultants or advisers) whom the Board considers, in its absolute discretion, have contributed or will contribute to the Group.

(b) Maximum number of Shares and entitlement to each participant

The maximum number of Shares in respect of which Options may be granted under the Expired Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following the completion of the Global Offering (as defined in the Prospectus), being 160,000,000 Shares, unless otherwise approved by the shareholders of the Company in general meeting and/or such other requirements prescribed under the Articles of Association of the Company, the Listing Rules and/or any other applicable laws and regulations from time to time.

The total number of Shares issued and to be issued upon exercise of Options granted to any participant under the Expired Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of Option in excess of such limit must be separately approved by shareholders in general meeting with such grantee and his/her associates abstaining from voting.

(c) Grant of Options

An offer for the grant of Options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an Option to the Company on acceptance of the offer is HK\$1.00.

(d) Timing of exercise of Options

There is no minimum period prescribed under the terms of the Expired Share Option Scheme for which an Option must be held before it can be exercised, and the period during which an Option may be exercised will be determined by the Board in its absolute discretion. However, no Options shall be exercised 10 years after they have been granted.

(e) Subscription price

The subscription price of a Share in respect of a particular Option shall be not less than the highest of (a) the official closing price of the Shares on the daily quotation sheet of the Stock Exchange on the date of grant; (b) the average official closing price of the Shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share.

(f) Life of the Expired Share Option Scheme

With effect from 1 January 2024, Chapter 17 of the Listing Rules has been amended. As provided under the transitional arrangements under the amended Chapter 17 of the Listing Rules, the Company was allowed to continue to make grants to participants eligible under the Expired Share Option Scheme until the refreshment or expiry of the existing scheme mandate, upon which the Company will be required to amend the terms of the scheme to comply with the amended Chapter 17 of the Listing Rules and seek shareholders' approval for a new scheme mandate.

The Expired Share Option Scheme was in force for a period of ten years commencing on the date of adoption (i.e. 14 June 2013) and expired on 14 June 2023. In particular, all Options granted before the end of such period shall continue to be valid and exercisable after the end of such period in accordance with the terms of the Expired Share Option Scheme. No further Options will be granted under the Expired Share Option Scheme after its expiration.

Save as disclosed above, as at 30 June 2024 and up to the date of this interim report, the Company has not adopted any share schemes (as defined under Chapter 17 of the Listing Rules).

Options granted***Options granted on 23 May 2014***

The Options to subscribe for a total of 1,210,000 Shares were granted under the Expired Share Option Scheme on 23 May 2014 to employees of the Group. The exercise price of the Options granted is HK\$3.92 per Share and the closing price of the Shares immediately before the date on which the Options were granted was HK\$4.01. Pursuant to the terms of the grant of such Options, 25% of the Options became exercisable on each of 23 May 2015, 23 May 2016, 23 May 2017 and 23 May 2018, respectively, subject to the satisfaction of the individual performance assessment of the grantees for the relevant years. For details, please refer to the announcement of the Company dated 23 May 2014.

For the six months ended 30 June 2024, all Options granted on 23 May 2014 have been lapsed.

Options granted on 29 May 2015

The Options to subscribe for a total of 2,500,000 Shares were granted under the Expired Share Option Scheme on 29 May 2015 to employees of the Group. The exercise price of the Options granted is HK\$8.036 per Share and the closing price of the Shares immediately before the date on which the Options were granted was HK\$7.95. Pursuant to the terms of the grant of such Options, 25% of the Options became exercisable on 29 May 2016, 29 May 2017, 29 May 2018 and 29 May 2019, respectively, subject to the satisfaction of the individual performance assessment of the said grantees for the relevant years. For details, please refer to the announcement of the Company dated 29 May 2015.

For the six months ended 30 June 2024, no Options granted on 29 May 2015 have been exercised, cancelled, forfeited or lapsed. As at 30 June 2024, Options to subscribe for a total of 150,000 Shares remained outstanding and were exercisable by the respective grantees immediately until 28 May 2025.

Options granted during the six months ended 30 June 2024

No Option was granted by the Company during the six months ended 30 June 2024.

Important Events

Movement during the six months ended 30 June 2024

Particulars of the outstanding Options under the Expired Share Option Scheme from 1 January 2024 to 30 June 2024 and Options granted, exercised, cancelled, forfeited or lapsed during such period are as follows:

Identity/Category of participant	Date of grant	Exercise price per Share	Vesting date and exercise period	Balance as at 1 January 2024	Vested and granted during the period	Exercised during the period	Cancelled/ Forfeited/ Lapsed during the period	Balance as at 30 June 2024	Price per Share immediately before the date of grant	Price per Share on exercise date
Mr. Song Hongfei	23 May 2014	HK\$3.92	From the date the exercise conditions are met to 22 May 2024 ¹	215,000	-Nil-	-Nil-	(215,000)	-Nil-	HK\$4.01	N/A ²
Ms. Hao Bin	29 May 2015	HK\$8.036	From the date the exercise conditions are met to 28 May 2025 ¹	150,000	-Nil-	-Nil-	-Nil-	150,000	HK\$7.95	N/A ²
Total				365,000	-Nil-	-Nil-	(215,000)	150,000		

Notes:

- Such Options shall be exercisable subject to the satisfaction of the individual performance assessment of the respective grantees for the relevant years. For details of the vesting schedule, please refer to the subsection headed "Share Option Scheme – Options granted" above.
- No Option had been exercised during the six months ended 30 June 2024.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2024.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, for the six months ended 30 June 2024 and as at the date of this interim report, the Company has maintained sufficient public float as required under the Listing Rules.

INTERIM DIVIDEND

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

EVENTS AFTER THE REPORTING PERIOD

Change of Company Name and Stock Name

With effect from 24 July 2024, the English name of the Company has been changed from “Wisdom Sports Group” to “China Frontier Technology Group”, and its new dual foreign name in Chinese has been changed from “智美體育集團” to “中國前沿科技集團”.

The stock short name of the Company for trading in the Shares on the Stock Exchange has been changed from “WISDOM SPORTS” to “CH FRONTIER TEC” in English and from “智美體育” to “中國前沿科技集團” in Chinese, with effect from 9:00 a.m. on 31 July 2024. The stock code of the Company on the Stock Exchange remained unchanged as “1661”

Please refer to the Company’s announcement dated 26 July 2024 for further details.

Disposal of a Property-Holding Subsidiary

On 12 July 2024, a wholly-owned subsidiary of the Company (the “**Vendor**”) entered into the sales and purchase agreement with Hou Bin (the “**Purchaser**”), pursuant to which the Vendor has conditionally agreed to sell and procure the lenders of the non-interest bearing and unsecured funding provided by the Group to the Target Company in the aggregate carrying amount of approximately HK\$28.7 million as at the date of the sales and purchase agreement (the “**Amount Due To Intercompany**”) to assign the Amount Due To Intercompany to the Purchaser, and the Purchaser has conditionally agreed to acquire all the issued share of Wisdom London Limited (the “**Target Company**”) and take assignment of the Amount Due To Intercompany at a consideration of GBP4.5 million or equivalent RMB42.4 million. Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

Please refer to the Company’s announcement dated 12 July 2024 for further details.

Change of company secretary and authorised representative

On 31 July 2024, the Board announced that Mr. Chan Kui Ming has resigned as a company secretary of the Company (the “**Company Secretary**”). Subsequent to the resignation of Mr. Chan Kui Ming, the Board announce that Mr. Wong Ka Sing has been appointed as the Company Secretary and the authorised representative for accepting service of process and notices on behalf of the Company in Hong Kong as required under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). On 5 August 2024, the Board announced that Mr. Sheng Jie has resigned as one of the authorised representatives of the Company under Rule 3.05 of the Listing Rules (the “**Authorised Representatives**”). Subsequent to the resignation of Mr. Sheng Jie, the Board announced that Mr. Wong Ka Sing has been appointed as one of the Authorised Representatives under Rule 3.05 of the Listing Rules. Please refer to the announcements of the Company dated 31 July 2024 and 5 August 2024 for details.

Save as disclosed in this interim report, to the best knowledge of the Directors, there was no significant event after 30 June 2024 that will have a material impact on the operation or financial position of the Group.

Corporate Governance and Other Information

CORPORATE GOVERNANCE CODE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to formulate its business strategies and policies, and to enhance its transparency and accountability.

The Company has applied the applicable principles and code provisions as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board’s ability to implement governance and exercise proper oversight on business conducts and affairs of the Company.

The Board is of the view that throughout the six months ended 30 June 2024 the Company has fully complied with the applicable principles and code provisions as set out in Part 2 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules as the code of conduct regarding directors’ securities transactions. Specific enquiry has been made with all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code throughout the six months ended 30 June 2024.

The Company has also established written guidelines no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company throughout the six months ended 30 June 2024.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) in compliance with Rule 3.21 of the Listing Rules and with terms of reference were in compliance with the code provision D.3 of the CG code for the purpose of reviewing the financial information and providing supervision on the financial reporting system and the review of the risk management and internal control systems (including the Anti-corruption Policy and Whistleblowing Policy of the Company) as well as the effectiveness of the internal audit function of the Group.

As at the date of this interim report, the Audit Committee comprises three members, namely Ms. Leung Hiu Man (Chairman), Ms. Gao Wenjuan and Mr. Wu Mingcong, all being independent non-executive Directors.

The interim results of the Group for the six months ended 30 June 2024 are unaudited and have not been reviewed by the external auditor of the Company. The Audit Committee has reviewed together with the Company’s management the accounting principles and practices adopted by the Group and financial reporting matters including a review of the unaudited consolidated interim results of the Group for the six months ended 30 June 2024. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

CHANGE IN DIRECTORS' INFORMATION

On 23 January 2024, subsequent to the resignation of Dr. Shen Wei, Ms. Hao Bin and Mr. Ip Kwok On Sammy, Mr. Wong Man Keung has been appointed as an executive Director, a co-chairman of the Board, a member of the Remuneration Committee and the chairman of the Nomination Committee; Ms. Ren Song has been appointed as an executive Director and a co-chairlady of the Board; Mr. Lee Kin Fai has been appointed as an independent non-executive Director of the Board and a member of each of the Audit Committee and the Nomination Committee; Ms. Gao Wenjuan has been appointed as an independent non-executive Director of the Board.

On 30 April 2024, subsequent to the resignation of Mr. Lee Kin Fai, Mr. Chang Hai Song, Ms. Wang Jie and Ms. Zhang Jing Jing have been appointed as an executive Director. Ms. Leung Hiu Man has been appointed as an independent non-executive Director of the Board and a member of each of the Audit Committee and the Nomination Committee.

On 9 September 2024, subsequent to the resignation of Mr. Jin Guoqiang and Mr. Chen Zhijian, Mr. Wu Mingcong has been appointed as an independent non-executive Director and a member of the Audit Committee; Ms. Peng Xiaoliu has been appointed as an independent non-executive Director; Mr. Wong Man Keung has been appointed as the chairman of the Remuneration Committee; Ms. Leung Hiu Man has been appointed as a member of the Remuneration Committee and re-designated from a member of the Audit Committee to the chairman of the Audit Committee; and Ms. Gao Wenjuan has been appointed as a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

On 16 September 2024, subsequent to the resignation of Ms. Zhang Jingjing, Ms. Zhang Panpan has been appointed as an executive Director.

Save as disclosed in this interim report, no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

		Six months ended 30 June	
	Note	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	5	22,356	2,571
Cost of services		(14,860)	(2,828)
Gross profit/(loss)		7,496	(257)
Other income	6	16,606	5,744
Other (loss)/gain, net	7	(3,175)	13,865
Net provision of impairment losses on other receivables		(328)	(3,757)
Net provision of impairment losses on trade receivables		(252)	–
Selling and distribution expenses		(2)	(410)
General and administrative expenses		(4,903)	(21,083)
Profit/(loss) from operations		15,442	(5,898)
Finance cost	8	(199)	–
Share of results of associates		(452)	(477)
Profit/(loss) before tax		14,791	(6,375)
Income tax expense	10	(656)	–
Profit/(loss) for the period	11	14,135	(6,375)
Attributable to:			
Owners of the Company		14,126	(6,375)
Non-controlling interests	9	9	–
		14,135	(6,375)

	Note	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Other comprehensive (expense)/income			
<i>Item that will not be reclassified to profit or loss:</i>			
Financial assets at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		(2,053)	910
<i>Item that are or may be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		978	11,164
Other comprehensive (expense)/income for the period, net of tax		(1,075)	12,074
Total comprehensive income for the period		13,060	5,699
Attributable to:			
Owners of the Company		13,051	5,699
Non-controlling interests		9	–
		13,060	5,699
Earning/(loss) per share attributable to owners of the Company	13		
Basic and diluted (RMB cents)		0.80	(0.40)

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Note	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	424	–
Right-of-use assets	14	1,573	–
Investment properties	14	38,586	38,013
Financial assets at fair value through other comprehensive income	15	54,229	56,282
Other receivables	19	–	50,000
Investments in associates	16	4,198	4,650
Deferred tax assets		6,720	6,720
Total non-current assets		105,730	155,665
Current assets			
Inventories		997	997
Financial assets at fair value through profit or loss	17	7,095	6,750
Trade receivables	18	10,299	4,859
Other receivables	19	52,057	52,479
Prepayments and other current assets	20	22,931	17,876
Cash and cash equivalents	21	266,251	173,732
Total current assets		359,630	256,693
TOTAL ASSETS		465,360	412,358

	Note	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	22	2,935	2,454
Reserves		418,485	366,818
		421,420	369,272
Non-controlling interests		(664)	(673)
TOTAL EQUITY		420,756	368,599
LIABILITIES			
Current liabilities			
Trade payables	23	9,985	11,810
Other payables and accrued expenses		3,915	3,618
Lease liabilities		309	–
Contract liabilities		927	927
Income tax payables		21,450	20,794
Total current liabilities		36,586	37,149
Non-Current liabilities			
Lease liabilities		1,272	–
Bank borrowing	24	6,746	6,610
Total non-current liabilities		8,018	6,610
TOTAL LIABILITIES		44,604	43,759
TOTAL EQUITY AND LIABILITIES		465,360	412,358
NET CURRENT ASSETS		323,044	219,544

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital RMB'000	Share premium RMB'000	Share-based payments reserve RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Exchange reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Investment properties reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023 (audited)	2,454	54,245	674	136,741	81,902	(433)	10,474	6,967	168,427	461,451	(680)	460,771
Loss for the period	-	-	-	-	-	-	-	-	(6,375)	(6,375)	-	(6,375)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	-	-	-	-	-	-	910	-	-	910	-	910
Exchange differences on translation from functional currency to presentation currency	-	-	-	-	-	11,164	-	-	-	11,164	-	11,164
Total comprehensive income for the period	-	-	-	-	-	11,164	910	-	(6,375)	5,699	-	5,699
Reversal of statutory reserve appropriation upon deregistration of subsidiaries	-	-	-	(580)	-	-	-	-	580	-	-	-
Disposal of investment properties	-	-	-	-	-	-	-	(6,967)	6,967	-	-	-
At 30 June 2023 (unaudited)	2,454	54,245	674	136,161	81,902	10,731	11,384	-	169,599	467,150	(680)	466,470
At 1 January 2024 (audited)	2,454	54,245	674	136,161	81,902	(52)	4,407	-	89,481	369,272	(673)	368,599
Profit for the period	-	-	-	-	-	-	-	-	14,126	14,126	9	14,135
Other comprehensive expense for the period	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	-	-	-	-	-	-	(2,053)	-	-	(2,053)	-	(2,053)
Lapse of share options	-	-	(401)	-	-	-	-	-	401	-	-	-
Exchange differences on translation from functional currency to presentation currency	-	-	-	-	-	978	-	-	-	978	-	978
Total comprehensive income for the period	-	-	(401)	-	-	978	(2,053)	-	14,527	13,051	9	13,060
Issue of new shares under an subscription agreement	481	38,616	-	-	-	-	-	-	-	39,097	-	39,097
As at 30 June 2024 (unaudited)	2,935	92,861	273	136,161	81,902	926	2,354	-	104,008	421,420	(664)	420,756

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from/(used in) operating activities		46,697	(5,741)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income from treasury products		8,269	1,811
Increase in security trading account's balance		–	(611)
Purchase of listed equity securities		(1,169)	–
Purchases of treasury products		–	(141,400)
Purchase of property, plant and equipment		(505)	–
Proceeds from disposal of property, plant and equipment		–	20,723
Proceeds from disposal of investment properties		–	12,165
Proceeds from disposal of listed equity securities		548	–
Proceeds from disposal of treasury products		80	137,477
Deposit paid for investment properties		–	(1,923)
Net cash generated from investing activities		7,223	28,242
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(176)	–
Proceeds from issue of shares		39,097	–
Payment of lease liabilities		(330)	–
Net cash generated from financing activities		38,591	–
NET INCREASE IN CASH AND CASH EQUIVALENTS		92,511	22,501
Effect of foreign exchange rate changes		8	11,164
CASH AND CASH EQUIVALENTS AT 1 JANUARY	21	173,732	172,437
CASH AND CASH EQUIVALENTS AT 30 JUNE	21	266,251	206,102

Notes to the Interim Financial Information

For the six months ended 30 June 2024

1. GENERAL INFORMATION

China Frontier Technology Group (formerly known as “Wisdom Sports Group”) (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (2012 Revision) of the Cayman Islands on 21 March 2012 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company in Hong Kong is Room B, 23/F, Yardley Commercial Building, 3 Connaught Road West, Sheung Wan, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the provision of events operation and marketing services, and sports services in the PRC and Hong Kong.

Pursuant to the special resolution of the shareholders of the Company on 31 July 2024, the name of the Company has been changed from “Wisdom Sports Group” to “China Frontier Technology Group” and the dual foreign name in Chinese of the Company had been changed from “智美體育集團” to “中國前沿科技集團”.

2. BASIS OF PREPARATION

This interim financial information is unaudited and 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 provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). It was authorised for issue on 30 August 2024.

This interim financial information should be read in conjunction with the 2023 annual financial statements, which were prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) (including all HKFRSs, HKASs and Interpretations). The accounting policies (including the critical judgements made by the Directors in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of this interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2023.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies applied in this interim financial information are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2023. In the current interim period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective from 1 January 2024 but these developments do not have a material effect on this interim financial information.

A number of new HKFRSs and amendments to HKFRSs is effective from 1 January 2024 and earlier application is permitted. The Group has not early adopted any new HKFRSs or amendments to HKFRSs that are not effective for the current interim period.

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The following table shows the carrying amounts and fair value of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liability is also not required.

Notes to the Interim Financial Information

For the six months ended 30 June 2024

4. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy

Description	Fair value measurements as at 30 June 2024			30 June 2024
	Level 1	Level 2	Level 3	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Recurring fair value measurements:				
Financial assets				
Financial assets at fair value through other comprehensive income				
– Unlisted equity securities (note 15)	–	–	54,229	54,229
Financial assets at fair value through profit or loss				
– Listed equity securities (note 17)	5,033	–	–	5,033
– Unlisted equity securities (note 17)	–	–	2,062	2,062
Total	5,033	–	56,291	61,324

Description	Fair value measurements as at 31 December 2023			31 December 2023
	Level 1	Level 2	Level 3	Total
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Recurring fair value measurements:				
Financial assets				
Financial assets at fair value through other comprehensive income				
– Unlisted equity securities (note 15)	–	–	56,282	56,282
Financial assets at fair value through profit or loss				
– Listed equity securities (note 17)	4,742	–	–	4,742
– Unlisted equity securities (note 17)	–	–	1,928	1,928
– Treasury products (note 17)	–	–	80	80
Total	4,742	–	58,290	63,032

4. FAIR VALUE MEASUREMENTS (Continued)

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2024 and 31 December 2023:

The Group's Deputy Head of Finance Department is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes and reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the Deputy Head of Finance Department and the Board of Directors regularly.

No level 2 fair value measurement used by the Group

For level 3 fair value measurements, the following valuation techniques were applied:

- Adjusted net asset values provided by the administrators of unlisted limited partnerships or an unlisted company.
- Pre-determined redemption prices specified in the share transfer agreements upon the realisation of events (only applicable during the six months ended 30 June 2024 for disposals of financial assets at fair value through other comprehensive income).
- Price-to-sales ratios of market comparable companies under market approach.
- Quoted bid prices provided by the administrators of unlisted investment funds.

Level 3 fair value measurements

Description	Valuation techniques	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 30 June 2024 RMB'000 (unaudited)
Financial assets at fair value through profit or loss – unlisted equity securities	Adjusted net asset values	N/A	N/A	N/A	2,062
Financial assets at fair value through other comprehensive income – unlisted equity security	Adjusted net asset values	N/A	N/A	N/A	54,014
Financial assets at fair value through other comprehensive income – unlisted equity security	Recent transaction price	N/A	N/A	N/A	215

Notes to the Interim Financial Information

For the six months ended 30 June 2024

4. FAIR VALUE MEASUREMENTS (Continued)

- (b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2024 and 31 December 2023:
(Continued)

Level 3 fair value measurements (Continued)

Description	Valuation techniques	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 31 December 2023 RMB'000 (audited)
Financial assets at fair value through profit or loss – treasury products	Adjusted net asset value	N/A	N/A	N/A	80
Financial assets at fair value through profit or loss – unlisted equity securities	Adjusted net asset value	N/A	N/A	N/A	1,928
Financial assets at fair value through other comprehensive income – unlisted equity security	Adjusted net asset value	N/A	N/A	N/A	56,067
Financial assets at fair value through other comprehensive income – unlisted equity security	Recent transaction price	N/A	N/A	N/A	215

4. FAIR VALUE MEASUREMENTS (Continued)

(c) Reconciliation of financial assets measured at fair value based on Level 3:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Financial assets at fair value through profit or loss – treasury products		
At the beginning of the reporting period	80	5,128
Addition	–	289,620
Disposal during the period/year	(80)	(295,049)
Fair value changes recognised in profit or loss	–	381
At the end of the reporting period	–	80

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Financial assets at fair value through profit or loss – unlisted equity securities		
At the beginning of the reporting period	1,928	1,571
Fair value changes recognised in profit or loss	134	357
At the end of the reporting period	2,062	1,928

Notes to the Interim Financial Information

For the six months ended 30 June 2024

4. FAIR VALUE MEASUREMENTS (Continued)

(c) Reconciliation of financial assets measured at fair value based on Level 3: (Continued)

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Financial assets at fair value through other comprehensive income – unlisted equity securities		
At the beginning of the reporting period	56,282	62,349
Fair value changes recognised in other comprehensive income for the year	(2,053)	(6,067)
At the end of the reporting period	54,229	56,282

Any gains or losses arising from the remeasurement of the Group's equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained profits.

5. REVENUE

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Events operation and marketing income	20,542	903
Sports services income	1,814	1,668
	22,356	2,571

5. REVENUE (Continued)

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Timing of revenue recognition		
– At a point in time	22,356	2,454
– Over time	–	117
	22,356	2,571

Except for rental income from equipment under operating leases within sports services having revenue recognised over time covering the periods of sports-related competitions and other events, revenue recognised at a point in time for the six months ended 30 June 2024 comprises income generated from sports-related competitions by the provision of events operation and marketing services, and all other sports services when the competitions are held.

6. OTHER INCOME

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Investment income from treasury products <i>(note (a))</i>	8,269	1,811
Interest income from loans to companies	2,511	1,138
Interest income from short-term bank deposits	4,355	1,090
Rental income from investment properties	609	288
Others	862	1,417
	16,606	5,744

Notes:

- (a) The Group invested in treasury products issued by financial institutions in the PRC. The investments are denominated in RMB and most of the investments with maturity periods within six months.

Notes to the Interim Financial Information

For the six months ended 30 June 2024

7. OTHER (LOSS)/GAIN, NET

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Exchange losses, net	(4,175)	(1,140)
Fair value changes on financial assets at fair value through profit or loss	(196)	605
Fair value changes on investment properties	563	–
Gain on disposal of investment properties	–	1,025
Gain on disposal of property, plant and equipment	–	13,614
Others	633	(239)
	(3,175)	13,865

8. FINANCE COST

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest on bank borrowing	176	–
Interest on lease liabilities	23	–
	199	–

9. SEGMENT INFORMATION

Information reported to the Chief Executive Officer, being the chief operating decision maker (“**CODM**”), for the purpose of resources allocation and assessment of segment performance focuses on types of services provided.

The Group has two reportable operating segments, which are: (a) Events Operation and Marketing; and (b) Sports Services.

The Group’s operating and reportable segments are as follows:

Events Operation and Marketing	Providing marketing services in conjunction with sports-related competitions. Type of revenue includes corporate sponsorship income.
Sports Services	Providing services mainly to government, third-party professional companies and marathon runners in conjunction with sports-related competitions and other events. Types of revenue include mainly events service income, rental income from equipment, and individual consumption income.

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment results are measured as gross profit/(loss) of each segment without allocation of selling and distribution expenses, general and administrative expenses, finance cost, other income, other losses, share of results of associates and income tax expense. This is the measure reported to the CODM for the purpose of resources allocation and performance assessment.

No segment assets or liabilities information or other segment information is provided as the CODM does not review this information for the purpose of resources allocation and assessment of segment performance.

No geographical segment information is presented as all the sales and operating losses of the Group are derived within the PRC and all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

Notes to the Interim Financial Information

For the six months ended 30 June 2024

9. SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2024 and 2023 is as follows:

Six months ended 30 June 2024

	Events Operation and Marketing RMB'000 (unaudited)	Sports Services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue	20,542	1,814	22,356
Cost of services	(13,658)	(1,202)	(14,860)
Segment results	6,884	612	7,496
Other income			16,606
Other loss, net			(3,175)
Net provision of impairment loss on other receivables			(328)
Net provision of impairment loss on trade receivables			(252)
Selling and distribution expenses			(2)
General and administrative expenses			(4,903)
Finance cost			(199)
Share of result of associate			(452)
Income tax expense			(656)
Profit for the period			14,135

9. SEGMENT INFORMATION (Continued)

Six months ended 30 June 2023

	Events Operation and Marketing RMB'000 (unaudited)	Sports Services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue	903	1,668	2,571
Cost of services	(1,070)	(1,758)	(2,828)
Segment results	(167)	(90)	(257)
Other income			5,744
Other gain, net			13,865
Net provision of impairment losses on other receivables			(3,757)
Selling and distribution expenses			(410)
General and administrative expenses			(21,083)
Share of results of associates			(477)
Loss for the period			(6,375)

10. INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as follows:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Hong Kong Profit Tax	619	—
PRC Corporate Income Tax	37	—
	656	—

Hong Kong Profits Tax is calculated at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the six months ended 30 June 2024.

PRC Corporate Income Tax has been provided at a rate of 25% for the six months end 30 June 2024.

Tax charged on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Notes to the Interim Financial Information

For the six months ended 30 June 2024

11. PROFIT/(LOSS) FOR THE PERIOD

The Group's profit/(loss) for the period is stated after charging the following:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Amortisation of intangible assets	–	475
Depreciation of property, plant and equipment	81	6,136
Depreciation of right-of-use assets	315	–
Staff costs		
– Salaries, bonuses and allowances	1,798	8,855
– Retirement benefits scheme contributions	231	130
Auditor's remuneration		
– Non-audit related services	–	400
Net provision of impairment losses on other receivables	328	3,757
Net provision of impairment losses on trade receivables	252	–

12. DIVIDENDS

The Board of Directors does not recommend the payment of any dividend in respect of the six months ended 30 June 2024 and 2023.

13. EARNING/(LOSS) PER SHARE

The calculation of the basic and diluted earning/(loss) per share attributable to owners of the Company is based on the following:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Profit/(loss) attributable to owners of the Company		
Profit/(loss) for the purpose of calculating basic and diluted earning/(loss) per share	14,126	(6,375)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earning/(loss) per share	1,773,775	1,592,942

The computation of diluted earning/(loss) per share did not assume the exercise of the Company's outstanding share options as the exercise price of those share options was higher than the average market price for shares for the six months ended 30 June 2024 and 2023.

14. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

During the six months ended 30 June 2024, the Group acquired the property, plant and equipment of RMB505,000 (2023: Nil). There are no disposal in the property, plant and equipment are recorded during the six months ended 30 June 2024 (2023: Nil). The depreciation of property, plant and equipment was approximately RMB81,000 during the six months ended 30 June 2024 (2023: Nil).

During the six months ended 30 June 2024, the Group entered into new lease agreement with lease terms of 2 years. On lease commencement, the Group recognised right-of-use assets of RMB1,888,000 (2023: Nil) and lease liabilities of RMB1,888,000 (2023: Nil). The Group is required to make fixed monthly payments and additional variable payments depending on the usage of the assets during the contract period.

As at 30 June 2024, the fair value of investment properties is approximately RMB38,586,000 (31 December 2023: RMB38,013,000). After the end of the reporting period, the Group entered sale and purchase agreement to disposal of entire investment properties and subject to certain conditions, details refer to the announcement of the Company dated 12 July 2024.

Notes to the Interim Financial Information

For the six months ended 30 June 2024

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Unlisted equity securities	54,229	56,282

During the year ended 31 December 2019, the Group subscribed 2.19% equity interest in Beijing U.S.-China Green Fund Investment Centre (Limited Partnership) (北京中美綠色投資中心(有限合夥)) (“**U.S.-China Green Fund**”) with RMB50,000,000 as one of the limited partners of U.S.-China Green Fund. U.S.-China Green Fund is mainly engaged in the business of investment management and its investment scope includes green energy, energy saving and environmental protection, medical and health care, consumption upgrading, green building and other related industries.

As at 30 June 2024, the fair value of this financial asset is RMB54,014,000 (31 December 2023: RMB56,067,000) accounting for 11.6% (31 December 2023: 13.6%) of the Group's total assets. Unrealised loss of RMB2,053,000 (2023: unrealised loss of RMB6,067,000) arising from the remeasurement of this financial asset was recognised in the fair value reserve (non-recycling) in other comprehensive income. The Group maintains to hold this financial asset for strategic purposes since initial recognition to generate long-term capital growth.

All of the financial assets at fair value through other comprehensive income are denominated in RMB.

16. INVESTMENTS IN ASSOCIATES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Unlisted investments:		
Cost of investments in associates	27,711	27,711
Share of post-acquisition losses and other comprehensive expenses	(13,122)	(12,670)
Accumulated impairment losses	(10,391)	(10,391)
	4,198	4,650

16. INVESTMENTS IN ASSOCIATES (Continued)

Details of the Group's associates at 30 June 2024 and 31 December 2023 are as follows:

Name	Place of incorporation/ registration	Particular of issued share capital	Percentage of ownership interest/voting power/profit sharing		Principal activities
			30 June 2024	31 December 2023	
Beijing Guotaiyinke Technology Co., Ltd. ("GTYK")	PRC	RMB6,312,500	20%	20%	Technology development
Vning Sports Culture Industry (Beijing) Co., Ltd. ("Vning")	PRC	RMB6,027,727	15% (note (a))	15% (note (a))	Organisation of sports-related courses
Shenzhen Zhongsai Sports Industry Development Co., Ltd. ("Zhongsai Sports")	PRC	RMB20,000,000	10% (note (b))	10% (note (b))	Events organisation

Notes:

- (a) The Articles of Association of Vning specifies that at least a half of the shareholding is required to approve for decision on directing the relevant activities of Vning. As the Group holds a 15% equity interest in Vning, and has appointed one out of seven directors, the Group has significant influence, but not control over the financial and operating policy decisions of Vning. Hence the Group's interest in Vning is accounted for as an investment in an associate.
- (b) As the Group holds 10% equity interest in Zhongsai Sports, and has appointed one out of five directors, the Group has significant influence, but no control over the financial and operating policy decisions of Zhongsai Sports. Hence the Group's interest in Zhongsai Sports is accounted for as an investment in an associate. As at 30 June 2024, RMB800,000 (31 December 2023: RMB800,000) is receivables from Zhongsai Sports.

Notes to the Interim Financial Information

For the six months ended 30 June 2024

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Listed equity securities		
– Hong Kong	2,319	1,185
– the PRC	2,714	3,557
	5,033	4,742
Unlisted equity securities	2,062	1,928
Treasury products	–	80
	7,095	6,750

18. TRADE RECEIVABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade receivables	23,181	17,489
Allowance for impairment of trade receivables	(12,882)	(12,630)
	10,299	4,859

The aging analysis of trade receivables, net of allowance for impairment of trade receivables, presented based on the invoice dates is as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Within 1 month	–	2,390
1 to 3 months	7,016	–
4 to 6 months	–	–
7 to 12 months	97	132
Over 1 year	3,186	2,337
	10,299	4,859

The carrying amounts of the Group's trade receivables are all denominated in RMB.

Notes to the Interim Financial Information

For the six months ended 30 June 2024

19. OTHER RECEIVABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Cash held at security trading accounts	1,343	1,357
Deposits with media companies and event organisation companies	14	318
Advance to employees	23	94
Amount due from a controlling shareholder	5,113	3,448
Amount due from directors	522	493
Deposits	–	30
Amounts due from an interest in an associate	–	800
Redemption receivables from fund investment	29,345	29,345
Fund investment in a partnership	38,563	38,563
Loans to companies (note (a))	32,272	79,551
Interest income from fixed deposits	534	3,209
Earnest money paid for potential equity investment	18,000	18,000
Others	6,400	7,015
Less: Allowance for impairment of other receivables	(80,072)	(79,744)
	52,057	102,479
Non-current portion	–	(50,000)
Total current portion	52,057	52,479
Non-current portion		
Loan to companies (note (a))	–	50,000
Total non-current portion	–	50,000

Note:

- (a) As at 30 June 2024, the balance represented loans to independent third parties and the business partners of the Group. The loan periods ranging from 2 months to 3 years (31 December 2023: 2 months to 3 years) with fixed interest rates ranging from 3.00% to 4.75% (31 December 2023: 3.00% to 4.75%) per annum. As at 31 December 2023, the loan balance of RMB70,771,000 were pledged with properties located in the PRC. The loan was fully settled during the current period.

The carrying amounts of the other receivables are mainly denominated in RMB.

20. PREPAYMENT AND OTHER CURRENT ASSETS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Prepayment for sport competition and event organisation expenses	17,989	6,379
Value-added and other taxes' credits	4,910	11,486
Others	32	11
	22,931	17,876

The carrying amounts of prepayment and other current assets are all denominated in RMB.

21. CASH AND CASH EQUIVALENTS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Bank balances	266,251	173,732
Cash and cash equivalents	266,251	173,732

Cash and cash equivalents comprise cash held by the Group and short-term deposits with an original maturity of seven months or less. The balances are mainly denominated in RMB, British pound sterling and United States dollars (31 December 2023: RMB, British pound sterling and United States dollars).

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

Notes to the Interim Financial Information

For the six months ended 30 June 2024

22.SHARE CAPITAL

	Number of shares '000	US\$'000	RMB'000
Authorised:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024			
– Ordinary shares of US\$0.00025 each	4,000,000	1,000	–
Issued and fully paid:			
At 1 January 2023, 31 December 2023 and 1 January 2024 (audited)			
– Ordinary shares of US\$0.00025 each	1,592,942	398	2,454
Issue of shares (<i>note (a)</i>)	310,000	78	481
At 30 June 2024 (unaudited)	1,902,942	476	2,935

Note:

- (a) On 6 March 2024, the Company entered into the subscription agreement with one subscriber who is independent third party. Pursuant to this subscription agreement, the Company allotted and issued 310,000,000 ordinary shares of the Company at the HK\$0.139 per share. The issue of subscription shares was completed on 15 March 2024.

23.TRADE PAYABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade payables	9,985	11,810

23. TRADE PAYABLES (Continued)

Trade payables comprised amounts due to suppliers for purchase of goods or services used in regular course of business. Trade payables are non-interest bearing and generally due upon demand. The aging analysis of trade payables based on the invoice dates is as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Within 1 month	4,609	6,920
1 to 3 months	77	281
4 to 6 months	339	–
7 to 12 months	–	–
Over 1 year	4,960	4,609
	9,985	11,810

The carrying amounts of the Group's trade payables are all denominated in RMB.

24. BANK BORROWING

During the period ended 30 June 2024 and 2023, no new bank loans was obtained. The loans carry interest at variable (2023: variable) market rates of 6.29% (2023: 6.29%) and are wholly repayable 4 years (2023: 5 years), secured by certain investment property of RMB9,557,600 (2023: RMB9,239,000) and guaranteed by Ms. Ren Wen, a director of the Company.

25. CONTINGENT LIABILITY

As at 30 June 2024 and 31 December 2023, the Group did not have any material contingent liability.

26. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the emoluments of Directors and other members of key management during the year were as follows:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Directors' fees	267	372
Salaries and allowances	1,331	7,813
Retirement benefit scheme contributions	100	67
	1,698	8,252

Notes to the Interim Financial Information

For the six months ended 30 June 2024

27.COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

28.EVENT AFTER THE REPORTING PERIOD

On 12 July 2024, the vendor (a wholly-owned subsidiary of the Company) entered into the sales and purchase agreement with the purchaser at a consideration of GBP4.5 million or equivalent RMB42.4 million. The subsidiary will cease to be a subsidiary of the Company and the financial results of the subsidiary will no longer be consolidated into the financial statements of the Group. Details refer to the announcement of the Company dated 12 July 2024.