

CHINA FRONTIER TECHNOLOGY GROUP 中國前沿科技集團

Stock Code:1661

(Incorporated in the Cayman Islands with limited liability)



2024

ANNUAL REPORT

Contents

Corporate Information	2
Chairlady's Statement	4
Management Discussion and Analysis	6
Corporate Governance Report	16
Environmental, Social and Governance Report	33
Directors' Report	62
Directors, Senior Management and Employees	84
Independent Auditor's Report	88
Consolidated Statement of Profit or Loss and Other Comprehensive Income	93
Consolidated Statement of Financial Position	95
Consolidated Statement of Changes in Equity	97
Consolidated Statement of Cash Flows	98
Notes to the Consolidated Financial Statements	102
Five-Year Financial Summary	176

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

Corporate Information

COMPANY'S HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE 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

www.wisdomsports.com.cn

STOCK CODE

1661

Chairlady's Statement

Dear Shareholders,

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 an international high-end golf event held by the Group, further enhancing the Group’s brand value and reputation.

As technological innovation and productivity transformation reshaped the global industrial landscape at an unprecedented pace in 2024, the Group also developed a new business with cutting-edge technology as the core on the basis of its professional events operation and high-end sports services business, aiming at building an investment holding platform for the emerging technology industries featured by global coverage, high technology and large capital, to identify investment and acquisition opportunities in the most cutting-edge and promising high-tech fields. In 2024, the vigorous development of new quality productive forces represented by artificial intelligence (AI) created unlimited opportunities and challenges for enterprises. China Frontier Technology Group (the “Company”) and its subsidiaries (collectively referred to as the “Group”) closely grasped the pulse of the times, stuck to the core track of technological innovation with a forward-looking vision, and continued to deepen the strategic layout in the field of cutting-edge technology, thereby creating long-term value for our shareholders and society.

Over the past year, the Group has been actively building a global technological innovation ecosystem with the Frontier Technology Institute as the core carrier. In September 2024, the Institute, as a supporting organisation, contributed to the successful hosting of the Science and Technology + New Quality Productive Forces Summit 2024. The Summit, which brought together the top forces from the global political, industrial, academic and research sectors to discuss the future pathways of deep integration of technology and industry, not only highlighted the Group’s resource integration capabilities in the field of technology, but also brought new impetus to promote technology commercialisation and enable high-quality development of the real economy.

In terms of business expansion, the Group focused on cutting-edge technology asset management services to build an investment holding platform for global high-technology industries. By focusing on areas such as AI and data centre infrastructure, the Group continued to explore high-potential technology projects to promote the efficient integration of technology and capital. In January 2025, the Group officially launched its AI infrastructure business, appointing a professional team with extensive technical and management experience to focus on the research and development (R&D), deployment and operation and maintenance services for AI infrastructure. This business prioritises improving data centre efficiency, aiming to provide the industry with sustainable, high-performance intelligent solutions, thereby further consolidating the Group’s competitive advantage in the field of technology services.

Looking forward, the Group will continue to promote the empowerment of industries through AI technology and explore its deep integration with the real economy. Based on our AI infrastructure business, we will further expand the boundaries of technology applications with a focus on core technological breakthroughs in intelligent equipment. Specifically, R&D and innovation in robotics core components will become a key direction for the Group’s future exploration. By integrating global cutting-edge technology resources and optimising industrial chain synergies, the Group aims to provide critical technical support to the intelligent manufacturing sector, facilitating the industry’s upgrade towards higher efficiency and precision.

Chairlady's Statement

Meanwhile, the Group will continue to strengthen the strategic role of the Frontier Technology Institute, deepen cooperation with world-leading scientific research institutions and industry pioneers, and build an open innovation platform. We firmly believe that only by staying at the forefront of technology and embracing transformation can we take the initiative in the face of fierce competition. The Group will always take “driven by technology and creating value together” as its core concept to promote the continuous implementation of technological innovation achievements and generate greater long-term returns for our shareholders.

I would like to thank all shareholders for their consistent trust and support. The future is here – let us join hands to explore the vast ocean of technological innovation and write a new chapter for China Frontier Technology Group.

Yours sincerely,

Ren Wen

Co-chairlady

15 April 2025

Management Discussion and Analysis

GROUP OVERVIEW

In 2024, the global wave of technological innovation reshaped the industrial landscape with unprecedented intensity. The deep integration of technologies such as artificial intelligence (AI), big data and cloud computing is catalysing a new revolution in productivity. China Frontier Technology Group (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) closely grasped the pulse of the times and leveraged the Frontier Technology Institute as a strategic pivot to continuously enhance its capabilities in integrating global technology resources, facilitating the construction of a closed-loop ecosystem spanning technology research and development (R&D), the commercialisation of achievements and industrial empowerment.

During the year, the Group comprehensively strengthened its strategic presence in high-tech fields, with cutting-edge technology asset management services as the core. In September 2024, China Frontier Technology Institute, as a supporting organisation, contributed to the successful hosting of the Science and Technology + New Quality Productive Forces Summit 2024, which brought together more than 300 distinguished leaders from the global political, academic, industrial and financial sectors to explore the pathways for deep integration of AI technology and the real economy. The summit not only highlighted the Group's pivotal role in integrating resources across sectors, but also established a platform for efficient collaboration to promote the commercialisation of global technological innovation achievements.

In January 2025, the Group officially launched its AI infrastructure business, appointing a management team with an international vision and profound technical background to focus on services for the entire life cycle of AI infrastructure, covering R&D, production, deployment, operation and maintenance. Through strategic collaborations with globally leading cloud service providers, the Group has initially built a matrix of high-performance data centre solutions to meet the industry's urgent demands for intelligent and sustainable technologies. This initiative not only marked the Group's deep transformation into a technology-driven enterprise, but also laid a solid foundation for future expansion into high value-added technology businesses.

OUTLOOK OF THE INDUSTRY AND THE GROUP

Currently, cutting-edge technologies represented by AI-Generated Content (AIGC) and edge computing are accelerating their penetration into the real economy, driving intelligent upgrades in manufacturing, services and other sectors. Meanwhile, the global industrial chain has a growing demand for autonomous control over core technologies. Especially in the high-end manufacturing sector, key components of intelligent equipment have become strategic high grounds for technological breakthroughs and industrial competition.

The Group is capitalising on this trend by leveraging the Frontier Technology Institute as its core innovation engine and continuously deepening its technological cooperation with top international research institutions to build an open network of industry-academia-research cooperations. Under the strategic framework of its AI infrastructure business, the Group has gradually formed a closed-loop capability of “technology R&D – scenario application – industry empowerment”. Going forward, we will further focus on the vertical expansion of technology applications and explore breakthroughs in core technologies of intelligent equipment. In particular, the innovation, R&D and industrialisation in robotics core components will become a key priority. By integrating advanced technology resources around the world and improving the efficiency of supply chain collaboration, the Group is committed to providing high-precision, high-reliability critical technical support for the intelligent manufacturing sector, thus facilitating the industry's transition towards an automated and flexible production mode.

Management Discussion and Analysis

In addition, the Group will continue to strengthen its core competitiveness in cutting-edge technology asset management services and build an investment platform for global high-technology industries by systematically exploring high-potential technology projects and dynamically optimising its investment portfolios. We firmly believe that the efficient coordination of technological innovation and capital operations will serve as the dual engines driving long-term value growth. Moving forward, the Group will further enhance its ability to identify and incubate technology projects at an early stage, focusing on cutting-edge fields with disruptive potential, such as quantum computing and cross-applications of biotechnology, aiming to address the uncertainties arising from technological iterations through a diversified strategy.

Looking ahead, the Group will continue to strengthen the strategic synergy of its two major business segments and drive high-quality, sustainable performance growth through a dual-wheel model of technological empowerment and capital-driven initiatives. We will embrace technological transformation with a more open posture and capture market opportunities with greater agility, creating long-term value for our shareholders and injecting innovative vitality into the industry.

FINANCIAL REVIEW

During the Reporting Period, the Group had three business divisions which represented two reportable operating segments, namely:

- (a) the Events Operation and Marketing segment, which mainly provides marketing services in conjunction with sports-related competitions. Its revenue includes mainly corporate sponsorship income;
- (b) the Sports Services segment, which provides services mainly to government, marathon runners and media companies in conjunction with sports-related competitions. Its revenue includes mainly live broadcasting and program production income, individual consumption income, and rental income from equipment; and
- (c) trading business, which trading of cigar and related products (a new business in 2024).

Revenue

The Group's revenue increased by approximately 142.2% to RMB78.07 million for the year ended 31 December 2024 from RMB32.24 million for the year ended 31 December 2023. The increase was mainly due to the increase in the trading income generated from trading of cigar. Details based on reportable segments are as follows:

- Revenue of the Events Operation and Marketing segment increased by 4.3% to RMB27.46 million for the year ended 31 December 2024 from RMB26.32 million for the year ended 31 December 2023;
- Revenue of the Sports Services segment decreased by approximately 100% to RMBnil for the year ended 31 December 2024 from RMB5.92 million for the year ended 31 December 2023; and
- Revenue of trading business segment increased by approximately 100% to RMB50.60 million for the year ended 31 December 2024 from RMBnil for the year ended 31 December 2023.

Management Discussion and Analysis

Cost of Services

The Group's cost of services increased by approximately 105.4% to RMB67.93 million for the year ended 31 December 2024 from RMB33.08 million for the year ended 31 December 2023. The increase was mainly due to the increase in cost of trading business. Details based on reportable segments are as follows:

- Cost of the Events Operation and Marketing segment decreased by 23.0% to RMB20.44 million for the year ended 31 December 2024 from RMB26.55 million for the year ended 31 December 2023;
- Cost of the Sports Services segment decreased by approximately 78.1% to RMB1.43 million for the year ended 31 December 2024 from RMB6.53 million for the year ended 31 December 2023; and
- Cost of the trading business segment increased by approximately 100% to RMB46.07 million for the year ended 31 December 2024 from RMBnil for the year ended 31 December 2023.

Gross Profit/(Loss) Margin

As a result of the aforementioned factors, the Group recorded a gross profit of RMB10.14 million for the year ended 31 December 2024 as compared to a gross loss of RMB0.84 million recorded for the year ended 31 December 2023. The Group recognised a gross profit margin of 13% for the year ended 31 December 2024 as compared to a gross loss margin of 2.6% for the year ended 31 December 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 Group recorded a gross profit for the Events Operation and Marketing segment of RMB7.02 million for the year ended 31 December 2024 as compared to a gross loss of RMB0.23 million recorded for the year ended 31 December 2023. The Group recognised a gross profit margin of 25.6% for the year ended 31 December 2024 as compared to a gross loss margin of 0.9% for the year ended 31 December 2023; and
- As a result of the foregoing changes in revenue and cost of services of the Sports Services segment, the gross loss of the Group increased by approximately 130.6% to RMB1.43 million for the year ended 31 December 2024 from RMB0.62 million for the year ended 31 December 2023, and the gross loss margin decreased to approximately 0.0% for the year ended 31 December 2024 from 1.7% for the year ended 31 December 2023.
- As a result of the foregoing changes in revenue and cost of services of the trading business segment, the gross profit of the Group increased by approximately 100% to RMB4.54 million for the year ended 31 December 2024 from RMBnil for the year ended 31 December 2023, and the gross profit margin increased to approximately 9.0% for the year ended 31 December 2024 from 0% for the year ended 31 December 2023.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by approximately 39.2% to RMB4.32 million for the year ended 31 December 2024 from RMB7.11 million for the year ended 31 December 2023. The decrease was mainly due to the decrease in the 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 21.6% to RMB34.67 million for the year ended 31 December 2024 from RMB44.24 million for the year ended 31 December 2023. The decrease was mainly due to the decrease in labour costs in the Group's general and administrative expenses arising from the resumption of operations.

Management Discussion and Analysis

Other Income

The Group's other income decreased by approximately 75.3% to RMB4.04 million for the year ended 31 December 2024 from RMB16.35 million for the year ended 31 December 2023. The decrease was mainly due to the decrease in income from short-term bank wealth management products and fixed income interest during the year.

Other Gain or Loss

The Group's other gain or loss decreased by approximately 760.7% to a net gain of RMB3.09 million for the year ended 31 December 2024 from the net loss of RMB0.47 million for the year ended 31 December 2023. The increase was mainly due to the decrease in impairment loss on property, plant and equipment of underlying assets for the year ended 31 December 2023.

Loss before Income Tax

As a result of the foregoing, the Group's loss before income tax decreased by approximately 43.87% to RMB45.56 million for the year ended 31 December 2024 from RMB81.17 million for the year ended 31 December 2023.

Income Tax Expense

The Group's income tax expense increased by 17.5% to RMB7.05 million for the year ended 31 December 2024 from RMB6.00 million for the year ended 31 December 2023. The increase was due to the net effect of the decrease in the withholding and payment of corporate income tax on the dividend paid by the subsidiaries in China to the parent company in Hong Kong and the increase in the derecognition of deferred tax assets.

Loss Attributable to the Owners of the Company

As a result of the foregoing, the loss attributable to the owners of the Company decreased by approximately 39.7% to RMB52.58 million for the year ended 31 December 2024 from RMB87.18 million for the year ended 31 December 2023.

Cash Flow

As at 31 December 2024, the Group's cash and bank balances amounted to approximately RMB246.47 million as compared to that cash and bank balances of approximately RMB173.73 million as at 31 December 2023.

Working Capital

The Group's net current assets increased by approximately 18.5% to RMB260.04 million as at 31 December 2024 from RMB219.50 million as at 31 December 2023. The current asset value of the Group decreased, while the working capital was maintained at a relatively high level that can adequately meet the daily working capital requirements and finance the business development.

Capital Expenditure

The Group's total expenditure on the acquisition of property, plant and equipment and investment properties amounted to RMB1 million and RMBnil respectively for the year ended 31 December 2024 (year ended 31 December 2023: RMB0.9 million and RMB37.1 million respectively).

Bank Borrowings

The Company had bank borrowings of RMB6.64 million as at 31 December 2024 (year ended 31 December 2023: RMB6.61 million).

Management Discussion and Analysis

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.

CAPITAL STRUCTURE OF THE GROUP

The reorganisation of the Group as set out in the prospectus of the Company dated 28 June 2013 (the “**Prospectus**”) 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. 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 2,500,000 shares of the Company were granted on 29 May 2015 to employees of the Group. As at the date of this annual report, no option has been exercised.

The number of issued ordinary shares of the Company (the “**Shares**”) as at 31 December 2024 was 190,294,200 Shares (31 December 2023: 1,592,942,000 Shares). The authorised share capital of the Company as at 31 December 2024 was US\$1,000,000 divided into 400,000,000 Shares with par value of US\$0.0025 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 annual report, the Company has fully utilized approximately HK\$43 million, representing 100% of the net proceeds from the Subscription for the aforementioned purposes.

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.

Share Consolidation and Increase in Authorised Share Capital

On 23 December 2024, every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. The Existing Shares of the Company will be consolidated from 1,902,942,000 Existing Shares in issue which are fully paid or credited as fully paid to 190,294,200 Consolidated Shares in issue which are fully paid or credited as fully paid.

The authorised share capital of the Company be increased from US\$1,000,000 divided into 400,000,000 ordinary shares with a par value of US\$0.0025 each to US\$5,000,000 divided into 2,000,000,000 ordinary shares with a par value of US\$0.0025 each by the creation of an additional 1,600,000,000 Shares.

Details of the Share Consolidation and Increase in Authorised Share Capital were set out in the Company’s announcements dated 15 November 2024, 5 December 2024, and 23 December 2024.

Save for the above, there was no alteration in the capital structure of the Group for the year ended 31 December 2024.

Management Discussion and Analysis

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 to meet the funding requirements from time to time.

CHARGE ON ASSETS

As at 31 December 2024, there was no charge on the Group's assets (2023: Nil).

CONTINGENT LIABILITIES

As at 31 December 2024, the Company had no material contingent liabilities (2023: Nil).

CONTINGENCIES

External Guarantees

The Group confirmed that, for the year ended 31 December 2024, the Group had not provided any external guarantees.

ASSETS WITH RESTRICTED OWNERSHIP

The Group confirmed that, for the year ended 31 December 2024, the Group had no assets with restricted ownership.

ADVANCE TO ENTITY PROVIDED BY THE COMPANY

The Company had not provided any advance to an entity which is subject to disclosure requirement under Rule 13.20 of the Listing Rules as at 31 December 2024.

Management Discussion and Analysis

PLEDGING OF SHARES BY CONTROLLING SHAREHOLDERS

As at 31 December 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 31 December 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 year ended 31 December 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.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES BY THE COMPANY

During the year ended 31 December 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 Ratios	As at 31 December	
	2024	2023
Current ratio	588.01%	690.9%
Gearing Ratio	14.57%	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.

Management Discussion and Analysis

SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR SIGNIFICANT INVESTMENT OR ACQUISITION OF CAPITAL ASSETS IN THE FUTURE

Investment in the trust schemes

On 23 February 2023, Wisdom Sports Entertainment (Zhejiang) Co., Ltd.* (智美體育文化(浙江)有限公司) (“**Zhejiang Wisdom**”), a wholly-owned subsidiary of the Company, entered into the trust scheme agreement with Minmetals International Trust Co., Ltd.* (五礦國際信託有限公司) (“**Minmetals International Trust**”), pursuant to which Zhejiang Wisdom agreed to invest in the Minmetals Trust – Jinxiu Zengli No. 5 Trust Scheme* (五礦信託 – 錦繡增利5期集合資金信託計劃) (the “**Minmetals Trust Scheme**”) established by Minmetals International Trust for a total of RMB10.0 million. The Minmetals Trust Scheme will invest in bonds in the PRC, which include government bonds, urban investment bonds, bonds listed on stock exchanges and bonds issued by banks. The Minmetals Trust Scheme does not guarantee to capital protection and minimum return. The expected annualised rate of return is 4.0%.

On the same date, Beijing Wisdom Media Holding Co., Ltd.* (北京智美傳媒股份有限公司) (“**Beijing Wisdom Media**”), a wholly-owned subsidiary of the Company, entered into the trust scheme agreement with China Fortune International Trust Co., Ltd.* (華鑫國際信託有限公司) (“**China Fortune International Trust**”), pursuant to which Beijing Wisdom Media agreed to invest in the China Fortune International Trust – Xinyijia No. 303 Trust Scheme Fourth Unit Trust* (華鑫信託 • 信益嘉303號集合資金信託計劃第四信託單元) (the “**China Fortune Trust Scheme**”) established by China Fortune International Trust for a total of RMB10.0 million. The China Fortune Trust Scheme will invest in senior and secondary class asset-backed securities with a focus on high-quality asset securitization entities. The China Fortune Trust Scheme does not guarantee to capital protection and minimum return. The expected annualised rate of return is 4.3%.

Please refer to the announcement of the Company dated 23 February 2023 for 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.

* For identification purpose only

Management Discussion and Analysis

Provision of loans

1. *Beijing Allx loan*

On 2 November 2017, Zhejiang Wisdom, Beijing Allx and China Merchants Bank Beijing Guanghai Road branch entered into a loan agreement (the “**2017 Beijing Allx Loan Agreement**”), pursuant to which Zhejiang Wisdom 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.

On 1 November 2019, Zhejiang Wisdom and Beijing Allx entered into a new loan agreement (the “**2019 Beijing Allx Loan Agreement**”) to renew the 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 and Beijing Allx entered into a new loan agreement (the “**2022 Beijing Allx Loan Agreement**”) to renew the loan and amend the interest rate from 4.75% to 3.65% per annum.

During the year ended 31 December 2024, the loans were fully received.

2. *Eastern Green loan*

On 17 September 2018, Zhejiang Wisdom and Eastern Green entered into the Eastern Green loan agreement, pursuant to which Zhejiang Wisdom agreed to provide a short-term loan of RMB20 million to Eastern Green which bears interest at a rate of 5% per annum from 30 September 2018 to 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), a subsidiary of Eastern Green.

On 30 September 2018, Zhejiang Wisdom 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 and Eastern Green entered into the second and third supplemental agreements 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 and Eastern Green entered into 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.

During the year ended 31 December 2024, the loans were fully received.

3. *Listing Rules implication*

As the ultimate beneficial owners of Beijing Allx and Eastern Green are related, the transactions in relation to the Beijing Allx loan and the Eastern Green loan shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

Management Discussion and Analysis

4. *Reasons for the breach of the Listing Rules and remedial measures*

The Company believed that the renewal of the Beijing Allx loan and the Eastern Green loan did not constitute new transactions because no new capital was lent in respect of the loans. The Group only extended the repayment of the respective loans and lowered the interest rate. In addition, as the Beijing Allx loan and the Eastern Green loan were negotiated separately and were granted to counterparties not within the same group of companies, the Company believed that the Beijing Allx loan and the Eastern Green loan would not be subject to the aggregation requirements under Rule 14.22 of the Listing Rules. As a result, the Company did not notify, announce or seek the approval from shareholders for the extension of the Beijing Allx loan under the 2022 Beijing Allx Loan Agreement and the Eastern Green loan under the fourth supplemental agreement to Eastern Green loan agreement in a timely manner in accordance with the Listing Rules which constituted a breach of Chapter 14 of the Listing Rules at the material time.

The Company had no intention to circumvent from the applicable requirements under Chapter 14 of the Listing Rules in relation to the transactions regarding the Beijing Allx loan and the Eastern Green loan. The Board and senior management of the Group have been fully aware of the relevant requirements under the Listing Rules and in order to prevent the re-occurrence of the similar noncompliance with the Listing Rules in the future and ensure full compliance with the Listing Rules on an on-going basis, the Company has adopted several remedial measures.

Please refer to the announcement of the Company dated 25 August 2023 for details.

Save as disclosed in this annual report, the Company had no other significant investment, acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2024 and, as at the date of this annual report, has no specific plans for significant investment or acquisition of material capital assets in the future.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in this annual report, there is no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects since the end of the Reporting Period and up to the date of this annual report which the Board is aware of.

Corporate Governance Report

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to the shareholders of the Company;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

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 principles/code provisions as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of 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 year ended 31 December 2024, the Company has complied with the code provisions as set out in Part 2 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

During the year ended 31 December 2024, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. 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 year ended 31 December 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 year ended 31 December 2024.

Corporate Governance Report

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsibility for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

The Board comprises the following Directors:

Executive Directors

Ms. Ren Wen (*Co-chairlady*)

Mr. Wong Man Keung (*Co-chairman, Chairman of the Nomination Committee and the Remuneration Committee*)
(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 (*Member of the Audit Committee, the Remuneration Committee and the Nomination Committee*)
(appointed on 23 January 2024)

Ms. Leung Hiu Man (*Chairman of the Audit Committee and member of the Remuneration Committee and Nomination Committee*) (appointed on 30 April 2024)

Mr. Wu Mingcong (appointed on 9 September 2024)

Ms. Peng Xiaoliu (appointed on 9 September 2024)

Mr. Chen Zhijian (*Chairman of the Audit Committee and member of the Remuneration Committee*)
(resigned on 9 September 2024)

Mr. Lee Kin Fai (*Member of the Audit Committee and the Nomination Committee*)
(appointed on 23 January 2024 and resigned on 30 April 2024)

Mr. Jin Guoqiang (*Chairman of the Remuneration Committee and member of the Audit Committee and the Nomination Committee*) (resigned on 9 September 2024)

Mr. Ip Kwok On Sammy (resigned on 23 January 2024)

Note: Pursuant to Rule 3.09D of the Listing Rules, each of Mr. Wong Man Keung, Ms. Ren Song, Mr. Chang Hai Song, Ms. Wang Jie, Ms. Zhang Panpan and Ms. Zhang Jing Jing has obtained legal advice as regards, among others, the requirements under the Listing Rules that are applicable to them as a director of a listed issuer. Each of Mr. Wong Man Keung, Ms. Ren Song, Mr. Chang Hai Song, Ms. Wang Jie, Ms. Zhang Panpan and Ms. Zhang Jing Jing has confirmed respectively that he or she understood his or her obligations as a Director.

Corporate Governance Report

Throughout the year ended 31 December 2024, the Board held ten meetings. The attendance records of the Board meetings are set out under “Attendance Records of Directors and Committee Members” in this Corporate Governance Report.

The biographical information of the Directors are set out in the section headed “Directors, Senior Management and Employees” on pages 84 to 86 of this annual report. None of the members of the Board is related to one another.

Independent Non-executive Directors

During the year ended 31 December 2024, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing not less than one-third of the Board with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence. To the best knowledge of each of the Directors after making specific enquiry with each of the independent non-executive Directors, each of the independent non-executive Directors has no cross-directorships or significant links with any of the other Directors. The Company is of the view that all independent non-executive Directors are independent.

Directors’ Re-election

Code provision B.2.2 of the CG Code stipulates that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In accordance with the Company’s Articles of Association, all Directors are subject to retirement by rotation and re-election at an annual general meeting at least once every three years.

For details of the service contracts and appointment contracts of the Directors, please refer to the subsection headed “Directors’ Service Contracts” in the Directors’ Report of this annual report.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group’s businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board makes decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company’s expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

Corporate Governance Report

The Board reserves for its decision of all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management committee (經營管理委員會).

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Continuous Professional Development of Directors

The Directors keep abreast of responsibilities as a Director and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2024, the Directors have participated in continuous professional development by attending seminars, in-house briefings or reading materials on the following topics to develop and refresh their knowledge and skills:

Directors	Topics of training covered
<i>Executive Directors</i>	
Ms. Ren Wen	CRFI
Mr. Wong Man Keung	N/A
Ms. Ren Song	N/A
Mr. Sheng Jie	CRI
Mr. Chang Hai Song	CRI
Ms. Wang Jie	CRFI
Ms. Zhang Panpan	CRFI
<i>Independent Non-executive Directors</i>	
Ms. Gao Wenjuan	FR
Ms. Leung Hiu Man	N/A
Mr. Wu Mingcong	FR
Ms. Peng Xiaoliu	N/A

Corporate Governance Report

Keys:

C: Corporate governance
R: Regulatory updates
F: Finance and accounting
I: Industry updates

In addition, relevant reading materials including directors' manual, legal and regulatory update and seminar handouts have been provided to the Directors for their reference and studying.

Remuneration of Directors and Senior Management

The remuneration of Directors and the members of the senior management for the year ended 31 December 2024 is set out below:

Remuneration band	Number of persons
Nil to HKD1,000,000	13

Particulars regarding the remuneration of the Directors, senior management and the five highest paid individuals as required to be disclosed pursuant to the Listing Rules are set out in Notes 16(a) and 15(a) to the consolidated financial statements of this annual report.

BOARD COMMITTEES

The Board has established three committees, namely, the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”), for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are published on the Company's website and the Stock Exchange's website and are available to shareholders of the Company upon request.

Audit Committee

The Company established the Audit Committee on 14 June 2013 with its terms of reference amended on 31 March 2016 and 20 December 2018 in light of amendments to the Listing Rules.

The Audit Committee currently comprises three members, namely Ms. Leung Hiu Man (Chairlady), Ms. Gao Wenjuan and Mr. Wu Mingcong, all of whom are independent non-executive Directors (including one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The primary duties of the Audit Committee are to assist the Board to provide an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, to oversee the audit process and the engagement of the external auditor, to review arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control and risk management or other matters of the Company and to perform other duties and responsibilities as assigned by the Board.

Corporate Governance Report

The Audit Committee held three meetings during the year ended 31 December 2024, to review annual financial results and report in respect of the year ended 31 December 2023 and interim financial results and report in respect of the six months ended 30 June 2024 and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, internal audit function, scope of work and appointment of external auditor, connected transactions and arrangements for employees to raise concerns about possible improprieties. The external auditor was invited to attend the meetings. The attendance records of the Audit Committee are set out under “Attendance Records of Directors and Committee Members”.

During the year ended 31 December 2024, the Audit Committee also met the external auditor twice. The Audit Committee also met the external auditor and the internal control department once without the presence of the executive Directors.

Remuneration Committee

The Company established the Remuneration Committee on 14 June 2013 with written terms of reference amended on 30 December 2023 in light of amendments to the Listing Rules. The establishment of the Remuneration Committee is in compliance with code provision E.1.2 of the CG Code.

The Remuneration Committee currently comprises three members, namely Mr. Wong Man Keung (chairman), an executive Director, Ms. Gao Wenjuan and Ms. Leung Hiu Man, both an independent non-executive Director.

The primary duties of the Remuneration Committee include assessing performance of executive Directors and approving the terms of the respective service contracts, reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules and establishing formal and transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee held four meetings during the year ended 31 December 2024 to perform its primary duties mentioned above, to review and make recommendation to the Board on the remuneration policy and structure of the Company, and the remuneration packages of the executive Directors and senior management and other related matters. The attendance records of the Remuneration Committee are set out under “Attendance Records of Directors and Committee Members”.

Nomination Committee

The Company established the Nomination Committee on 14 June 2013 with written terms of reference in compliance with code provision B.3.1 of the CG Code.

The Nomination Committee comprises three members, namely Mr. Wong Man Keung (Co-chairman), an executive Director, Ms. Gao Wenjuan and Ms. Leung Hiu Man, independent non-executive Directors.

The primary duties of the Nomination Committee include, without limitation, reviewing the structure, size and composition of the Board, the Board Diversity Policy and Director Nomination Policy of the Company, assessing the independence of independent non-executive Directors and making recommendation to the Board on matters relating to the appointment of Directors.

Corporate Governance Report

The Nomination Committee held four meetings during the year ended 31 December 2024 to review the structure, size and composition of the Board, the independence of the independent non-executive Directors, to consider and recommend to the Board on the Directors standing for re-election at the annual general meeting and to make recommendation, if applicable, to the Board on the Board Diversity Policy and the Director Nomination Policy of the Company. The Nomination Committee also considered that an appropriate balance of diversity perspectives of the Board is maintained. The attendance records of the Nomination Committee are set out under “Attendance Records of Directors and Committee Members”.

Director Nomination Policy

The Company has adopted the Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level. The Nomination Committee would normally identify candidates for directorships from various channels, including but not limited to internal promotion, re-designation, referral by members of the management and external recruitment agents.

Upon receipt of the proposal on appointment of new Director and the biographical information of the candidate(s), the Nomination Committee would evaluate the candidate(s), taking into consideration of the factors as set out in the Director Nomination Policy, including but not limited to the following:

- Characters and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity aspects under the Board Diversity Policy;
- Independence requirements under the Listing Rules; and
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s).

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Board Diversity Policy

The Company firmly believes that the increasing diversity at the Board level is one of the essential elements in supporting the attainment of its strategic objectives and its sustainable development. Therefore, the Company has adopted a Board Diversity Policy on 28 March 2014 which has been revised on 20 December 2018 in light of the amendments to the Listing Rules which came into effect on 1 January 2019.

In this regard, the Company is committed to (i) attracting and retaining candidate(s) for the Board with a combination of competencies from the widest pool of available talent; (ii) maintaining a Board with diversity perspectives; (iii) assessing regularly the diversity profile of the Board; (iv) ensuring a diverse range of candidates can be considered for Board positions; and (v) ensuring that changes to the Board's composition can be managed without undue disruption.

Corporate Governance Report

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth. The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy.

In assessing the Board composition and nominating Directors, the Nomination Committee would take into account various aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would also discuss and agree on measurable objectives for achieving diversity in the Board, where necessary, and recommend them to the Board for adoption.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

Category	Unit: % (person)	
	Female	Male
Board	63.6% (7)	36.4% (4)
Senior Management	50% (1)	50% (1)
Other employees	53.3% (8)	46.7% (7)

The Board had targeted to achieve and had achieved at least two female Directors, one female senior management and 10.0% of female employees of the Group and considers that the above current gender diversity is satisfactory.

The Nomination Committee will continue to identify suitable female candidate(s) to develop a pipeline of potential successors for appointment to the Board on merit against objective criteria in order to maintain gender diversity in the Board.

At present, the Nomination Committee considered that the Board and the overall gender ratio of the workforce of the Company is sufficiently diverse, and the Board has not adopted any measurable objective.

Board Independence Evaluation

The Company has established its Board Independence Evaluation Mechanism on 30 August 2023 which sets out the processes and procedures to ensure a strong independent element on the Board as well as allows the Board effectively exercises independent judgment to better safeguard shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximize strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Corporate Governance Report

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. A board independence evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 31 December 2024, all Directors has completed the independence evaluation in the form of a questionnaire individually and supplemented by individual interviews. A board independence evaluation report was presented to the Board and the evaluation results were satisfactory.

During the year ended 31 December 2024, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

The attendance records of each Director at Board and Board Committee meetings and the general meetings of the Company held during the year ended 31 December 2024 are set out in the table below:

Name of Director	Board	Attendance/Number of Meetings			
		Nomination Committee	Remuneration Committee	Audit Committee	General Meeting
Ren Wen	4/10	N/A	N/A	N/A	1/2
Wong Man Keung	10/10	4/4	4/4	N/A	2/2
Ren Song	9/10	N/A	N/A	N/A	1/2
Sheng Jie	5/10	N/A	N/A	N/A	1/2
Chang Hai Song	2/7	N/A	N/A	N/A	2/2
Wang Jie	6/7	N/A	N/A	N/A	1/2
Zhang Panpan	0/2	N/A	N/A	N/A	1/1
Zhang Jing Jing	0/5	N/A	N/A	N/A	0/1
Shen Wei	N/A	N/A	N/A	N/A	N/A
Hao Bin	N/A	N/A	N/A	N/A	N/A
Gao Wenjuan	9/10	1/1	1/1	N/A	1/1
Leung Hiu Man	6/7	2/2	1/1	2/2	0/1
Wu Mingcong	2/3	N/A	N/A	N/A	1/1
Peng Xiaoliu	2/3	N/A	N/A	N/A	1/1
Chen Zhijian	5/6	N/A	3/3	3/3	0/1
Lee Kin Fai	3/3	2/2	N/A	1/1	N/A
Jin Guoqiang	5/7	2/2	2/2	2/2	1/1
Ip Kwok On Sammy	N/A	N/A	N/A	N/A	N/A

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROLS

1. Responsibility

The Board acknowledges that it is its responsibility to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

2. Control Structure of Risk Management and Internal Control

The Board is responsible for evaluating and determining annual significant risks and overseeing the effectiveness of the risk management, ensuring maintenance of appropriate and effective risk management and internal control systems, and making conclusions about effectiveness of risk management and internal control systems after considering the work and review result of the Audit Committee annually.

The Audit Committee is responsible for assisting the Board to evaluate and oversee the extent of the risks the Group takes, the design and implementation of risk management and internal control systems; and reporting to the Board after properly reviewing the effectiveness of annual risk management and internal control systems of the Group. The Company reviews its risk management and internal control systems once annually to review the performance of the systems during the financial year.

The management is entrusted by the Board with duties to properly design, implement and monitor the risk management and internal control systems, and provide a confirmation to the Board on the effectiveness of these systems.

The internal control department of the Company is delegated with the internal audit responsibility. It is assigned with the task to organize and coordinate the risk identification and evaluation procedure and prepare risk evaluation report. The notice of risk identification is submitted and the action plans to regulate such risk is reported to the Audit Committee.

The internal control department of the Company is responsible for assisting the Audit Committee to review the effectiveness of risk management and internal control systems of the Group and taking the advantages of internal audit procedure to evaluate the adequacy and effectiveness of the systems independently.

The operating and functional departments of the Company are assigned with the task to identify, evaluate, and respond to risks associated with any activity, function or process within its scope of responsibility and authority and executing risk management procedure and internal control measures.

Corporate Governance Report

3. Risk Management

3.1 Risk Management Objective

The corporate risk management is to achieve the following objectives through building rational organization system and management mode, identifying significant risks that the Company faces, responding and monitoring significant risks.

- Identify, evaluate, analyse, respond to and monitor all existing and future significant risks (including environmental, social and governance risks), and maintain the risks within the acceptable levels of risk that the management can take;
- Build sustainable and effective monitoring and reporting mechanism for all significant risks (including environmental, social and governance risks);
- Provide rational assurance for the Company to follow requirements of relative laws and regulations of external supervision agencies, and for all departments to follow the Company's relative internal rules and regulations; and
- Provide rational assurance for execution of major measures aiming to achieve corporate objective.

3.2 Main Process of Risk Management

The risk management mainly includes risk identification, risk evaluation, risk management measures and risk control and report.

Risk identification: all operating and functional departments should identify potential internal and external risks during their operation at least annually. Effects on the goals and significant issues or risk events in corporate operation in previous years are mainly referred when identifying risk. The risks that have been identified shall be summarized to finally form a risk pool according to risk category.

Risk evaluation: all operating and functional departments shall evaluate the possibility of occurrence and influence degree of risks according to risks evaluation criteria. Risks shall be identified and ranked through the bottom-up and top-down process of risk identification and assessment, and then reported to the appropriate management, the Audit Committee and the Board. The final significant risks list is determined after full communication and discussion.

Risk management measures: departments with risk responsibilities shall properly employ risk avoidance, reduction, sharing, taking or other methods to formulate risk response scheme for significant risks by considering risk tolerance of the Group, which prompts the Group to allocate resources rationally to cope with the risks or perfect countermeasures, so that the overall level of risk of the Group can be reduced to acceptable extent.

Risk control and report: the early-warning index of risks, internal audit, regular risk summary report and other forms are comprehensively used to monitor, and report risks in the Group.

Corporate Governance Report

3.3 Significant Risks

The Group has conducted the process of risk identification and assessment according to the corporate risk management framework in 2024. Such significant risks of the Group and their nature and extent of change, their respective key strategies/control measures are set out below:

Risk Category	Risk Subcategory	Risk Matters (Key Risk Points)	Department Responsible for Risk	Risk Counter Measures	Risk Change Trend
Strategic risk	Business risk	Market competition During the novel coronavirus (COVID-19) pandemic, the event operating companies could not carry out business normally, which had a significant impact on operating cash flow and market pattern. After the pandemic, all companies were under pressure to survive and hoped to quickly gain market share, thus forming a low-price competition pattern in the industry, and the market competition became fierce.	Operation and Management Committee	On the basis of continuing to maintain close communication with event organizing committees and local governments, the Company actively strived to obtain the expected profitable event opportunities, and further expanded other types of events, including overseas events, so as to create a differentiated marketing model for products and regions with the existing market and proactively face the competitive market.	Increase
Operational risk	New business development	New business development In terms of new business development, it is necessary to conduct preliminary research, tentatively try to enter new business areas, equip corresponding professionals and meet other needs. Although sufficient research will be conducted in the early stage, entry into new fields will unavoidably require appropriate timing and incur corresponding costs. New business cultivation also requires a time cycle, which may impact the Company's financial position in the short term.	Operation and Management Committee	The Company is cautious in the process of selecting new business directions, tries to avoid large-scale initial investment, tries to make steady progress on the basis of sufficient market research, tries to reduce the capital cost of initial investment as much as possible, which will be increased steadily.	Equal
Operational risk	Human resources risk	Human resources With the development of new business, the Company will introduce professionals matching the business, especially for business development and expansion outside China, which requires professionals who are familiar with local policies and resources, and successfully introducing the required talents will increase the cost of human resources and cross-border management.	Operation and Management Committee	The Company will go through a strict selection process when introducing personnel, and obtain high-quality talents through the recommendation of local partners, and at the same time, the Company will also set clear job responsibilities and indicators for the introduced personnel, and conduct careful evaluation in order to achieve business development goals.	Increase

Corporate Governance Report

4. Internal Control

4.1 Objectives of Internal Control

The Board confirms its responsibility of overseeing the effectiveness of the Company's internal control system, while robust and effective internal control is achieved through a management structure with specific authorization and responsibility of internal control, which aims to:

- Properly ensure the legal compliance of business operation and management, assets security, and truthfulness and integrity of financial reports and related information;
- Improve operation efficiency and effectiveness; and
- Facilitate the enterprise to achieve development strategies.

4.2 Internal Control Framework

Based on the Committee of Sponsoring Organizations of the Treadway Commission Integrated Framework, the Group designed its internal control system by combining the business management characteristics of the Group, and specially sets up the internal control department which is responsible for the work of internal control. For the year ended 31 December 2024, the Group has carried out risk-oriented internal control evaluation on financial reporting process, fund management process, business and revenue process, cost and payment process, and asset management process, and followed up the correction of detected problems on a regular basis. The management and the Audit Committee have reviewed the internal control evaluation report and have evaluated the effectiveness of the Group's risk management and internal control systems. The review covered all material controls, including financial, operational and compliance controls.

As of 31 December 2024, the Board believes that the Group has implemented closed-loop management mechanism of internal control from planning, reviewing, reporting to follow-up. The systems of risk management and internal control were effective and adequate, and relevant procedures for financial reporting and Listing Rules compliance is effective. There were no findings of significant matters that might affect the Group's financial, operation and compliance controls as well as risk management.

In the course of the review, the Board ensured the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

4.3 Inside Information

The Group acknowledges and strictly abides by the requirements of currently effective laws, regulations and guidelines in dealing with relevant affairs, including the responsibility concerning inside information disclosure in the Securities and Futures Ordinance (the "SFO"), the Listing Rules, and the Guidelines on Disclosure of Inside Information promulgated by the Securities and Futures Commission. The Group has established the procedures and internal controls for the handling and dissemination of inside information, and has passed on the implementation of continuous disclosure policy to all relevant personnel and provided relevant training.

The Board considers that the Company's procedures and internal controls for the handling and dissemination of inside information are effective.

Corporate Governance Report

4.4 Whistleblowing Policy

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

4.5 Anti-corruption Policy

The Company has in place the Anti-corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company and stakeholders to report any suspected corruption and bribery.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2024.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 90 to 92 of this annual report.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditor.

AUDITOR'S REMUNERATION

An analysis of the remuneration paid to the external auditor of the Company, Infinity CPA Limited, in respect of audit related services and non-audit related services for the year ended 31 December 2024 is set out below:

Service Category	Fees Paid/ Payable '000
Audit related services	HKD780

Corporate Governance Report

COMPANY SECRETARY

Ms. Hao Bin was appointed as a joint company secretary of the Company with effect from 7 November 2016 and acted as the sole company secretary of the Company with effect from 30 December 2019.

Since Ms. Hao Bin has resigned as the company secretary with effect from 23 January 2024, that Mr. Chan Kui Ming has been appointed by the board as the company secretary of the Company with effect from the same day.

Mr. Chan Kui Ming has resigned as the company secretary with effect from 31 July 2024, that Mr. Wong Ka Sing has been appointed by the board as the company secretary of the Company with effect from the same day.

In compliance with Rule 3.29 of the Listing Rules, Mr. Wong Ka Sing received more than 15 hours of relevant professional trainings during the year ended 31 December 2024.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening and Putting Forward Proposals at Extraordinary General Meeting by Shareholders

Pursuant to Article 58 of the Articles of Association of the Company, any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself/herself (themselves) may convene a physical extraordinary general meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders of the Company should follow the requirements and procedure as set out above for putting forward proposals at extraordinary general meetings of the Company.

Corporate Governance Report

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders of the Company may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders of the Company may send their enquiries or requests as mentioned above to the following:

Address: No. 020, Room 303, 3rd Floor, Block 10, Courtyard No.2, No.2 Shangjialou Road, Chaoyang District, Beijing, PRC
(Attention: The Investor Relations Department)
Fax: +8610-84865300
Email: ir@wisdomsports.com.cn

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide his/her (their) full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Shareholders of the Company may call the Company at (+86)10-84865360 for any assistance.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company has in place a Shareholders Communication Policy. The policy aims to (i) allow shareholders and investors to obtain comprehensive, equal and easily comprehensible information of the Company; (ii) allow shareholders to exercise their rights under informed situations; and (iii) enhance communication between shareholders, investors and the Company.

Information is communicated to the shareholders and investors mainly through the Company's interim reports, annual reports, annual general meetings and other general meetings that may be convened, as well as by making available the disclosures submitted to the Stock Exchange for publication and corporate communications and other corporate publications on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.wisdomsports.com.cn.

The Company has established the following channels for maintaining an on-going dialogue with its shareholders and investors to communicate their views on various matters affecting the Company, as well as to solicit and understand the views of shareholders and investors:

1. Methods for shareholders to send enquiries to the Company and the Company's share registrar regarding the Company and their shareholdings respectively
2. Corporate communication (e.g. annual report, interim report, circular, proxy form, etc.)
 - interim and annual results are announced as early as possible to keep shareholders informed of the Group's performances and operations
 - Pursuant to Rule 2.07A of the Listing Rules and the Articles of Association, the Company will disseminate the corporate communications of the Company to its shareholders electronically and only send Corporate Communications in printed form to the shareholders upon request. Details of the arrangements (i) for dissemination of Corporate Communications and (ii) for requesting printed copy of Corporate Communications are published under the section "Investor Relations" in the Company's website (www.wisdomsports.com.cn).

Corporate Governance Report

3. Corporate website
 - updated key information of the Group is available on the Company's website to enable shareholders and investors to have timely access to the information about the Group
4. Shareholders' general meetings
 - a forum for shareholders to raise comments and exchange views with the Board
 - the Directors, senior management and external auditor of the Company are available at the general meetings of the Company to address shareholders' queries
5. Regular events for shareholders and investors
 - the Company organizes/participates in briefings, roadshows, media interviews and promotion activities to enhance communication with the shareholders and investors

The Company recognizes the importance of shareholders' privacy and will not disclose shareholders' information without their consent, unless required by law to do so.

The Board has reviewed the implementation and effectiveness of the Shareholders Communication Policy and the results were satisfactory.

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The co-chairlady and co-chairman of the Board, as well as chairmen of the Nomination Committee, the Remuneration Committee and Audit Committee (or their delegates) will make themselves available at the annual general meetings to meet shareholders and answer their enquiries. The 2025 Annual General Meeting of the Company ("**AGM**") will be held on Wednesday, 25 June 2025 and the notice of AGM will be sent to shareholders of the Company at least 21 clear days before the AGM.

DIVIDEND POLICY

The Company has adopted a policy on declaration and payment of dividends (the "**Dividend Policy**") in accordance with code provision F.1.1 of the CG Code. Pursuant to the Dividend Policy, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. In addition, the Board will also take into account the financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interest of its shareholders, restrictions on payment of dividends and any other factors that the Board may consider relevant when considering the declaration and payment of dividends.

The Company may declare and pay dividends by way of cash or scrip or such other means that the Board considers appropriate.

The Company currently does not have any pre-determined dividend payout ratio.

ARTICLES OF ASSOCIATION

Pursuant to a special resolution of the shareholders of the Company passed on 28 June 2023, the Company has adopted the amended and restated Articles of Association. During the year ended 31 December 2024 and up to the date to this report, there had been no change in the Company's Articles of Association. An up-to-date version of the Company's Articles of Association is available on the Company's website and the Stock Exchange's website.

Environmental, Social and Governance Report

OVERVIEW

About the Group

China Frontier Technology Group (the “**Group**”, “**we**” or “**us**”) is the first comprehensive sports industry group listed on the Hong Kong market in China. With the operation experience and advantages in the road running industry, it has formed a sports brand for event operation and sports under the guidance of “Sports+” strategy. The whole industry chain operation mode of marketing, event broadcast and sports service has initially completed the industrial upgrading from the event operation to healthy consumption, providing high-quality sports products and services for Chinese sports enthusiasts. As of 2018, China Frontier Technology Group has successfully operated more than 200 large-scale urban marathons, becoming the largest industrial operator in China and the world.

Scope and Reporting Period

This is the ninth Environmental, Social and Governance report (“**Report**”) by the Group, highlighting its Environmental, Social and Governance (“**ESG**”) performance, with disclosures prepared in accordance with the ESG Reporting Guide (the “**Guide**”) set out in Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

The Group mainly involves businesses in events operation and marketing, as well as sports services. This Report covers the Group’s overall performance in business operations in Beijing and Hong Kong Offices, which contributed for 100% of the Group’s total annual revenue from 1 January 2024 to 31 December 2024 (the “**Reporting Period**”), unless otherwise stated. Throughout the Reporting Period, a total of two events took place, namely 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. Therefore, the reporting scope solely considers the data from these two events and the Beijing and Hong Kong Offices.

The Group’s Mission and Strategies

The Group is committed to providing environmentally friendly and diverse products and services to global sports enthusiasts, actively expanding the mass consumption market in sports and wellness, and continuously investing in the research and development of products and market research. Driven by the craze for green sports and nationwide fitness, we focused on developing domestic and international operations of high-end events such as golf by fully leveraging our successful experience in operating offline sports events over the years. Through diversified sports events, innovative product offering and high-level sports services, we are committed to giving back to sports enthusiasts and consolidating our leading position in the sports industry.

In addition, the rapid global technological development has set off a wave of technological and industrial revolution. The Group closely monitors the development trend of cutting-edge technologies such as artificial intelligence (AI), and plans to establish new business centred on technology asset management services to build an investment platform for the emerging technologies featured by global coverage, high technology and large capital. We focus on investment and acquisitions in the high-tech fields and explore application services for AI-empowered industries (such as AI+ industries) to create more possibilities.

Adhering to the strategy of “technology empowering transaction-based acquisitions”, the Group adopts a global perspective to identify and invest in listed companies with core assets. Our core goals are not only to pursue capital appreciation, but also to use our professional capabilities and technological strength in terms of AI to empower acquired companies and promote their long-term, stable and high-quality growth.

* For identification purpose only

Environmental, Social and Governance Report

Reporting Basis and Principles

In preparing this ESG report, the Group adopted the reporting principles in the Guide as follows:

- “Materiality” Principle:
The Group determines material ESG issues by stakeholder engagement and materiality assessment. Details are explained in the section headed “Materiality Assessment”.
- “Quantitative” Principle:
Information is presented with quantitative measures, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.
- “Balance” Principle:
The Group presents the positive and negative impacts of its operations in a transparent manner.
- “Consistency” Principle:
The Report is the ninth ESG Report of the Group. The Report will use consistent methodologies for meaningful comparisons in the following years unless improvements in methodology are identified. The Report has complied with all “comply or explain” provisions and reported on selected recommended disclosures outlined in the ESG Reporting Guide.

The information contained herein is sourced from internal documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group’s internal management systems. A complete content index is appended to the last section hereof for quick reference.

Review and Approval

The board (the “**Board**”) of directors (the “**Directors**”) of the Company acknowledges its responsibility for ensuring the integrity of the ESG Report and to the best of their knowledge, this Report addresses all relevant material issues and fairly presents the ESG performance of the Group. The Board confirms that it has reviewed and approved the Report on 28 March 2025.

Stakeholders’ Feedback

The Group welcomes stakeholders’ feedback on its ESG approach and performance. Please give your suggestions or share your views with us by phone at (+86) 10-84865300 or email at ir@wisdomsports.com.cn.

Environmental, Social and Governance Report

Board Statement

Dear Stakeholders,

The Group endeavours to put sustainable development of our business as the top priority of our long-term development goals, and incorporate climate-related issues and environmental, social and governance elements into our long-term business strategic planning. As the most important leading role of the Group, the Board has the sole responsibility to oversee, directly manage and monitor the Group's environmental, social and governance issues and progress.

The Board of the Group has overseen different departments on their enhancement of mutual co-operation, to ensure that performance on sustainability development is consistent and stakeholders' expectations can be met. We work together to realise our sustainability development goals as a team.

We have set clear short-term and long-term sustainable development vision and goals to achieve ongoing emission reduction progress according to governmental requirements of different countries and regions. Relevant emission reduction targets and corresponding strategies are established and sustainable development factors have been incorporated into our strategic planning, business model and other decision-making processes. The Board regularly monitors and reviews the effectiveness of management, including reviewing the Group's ESG performance and adjusting corresponding action plans. Effective implementation of ESG related policies relies on the collaboration of different departments.

The Group strives to ensure the establishment of appropriate and effective risk management and internal control systems to supervise the identification and assessment of ESG and climate-related risks and opportunities, and to respond to the challenges and impacts of different times.

We strive to create a better environment. Looking ahead, the Board will continue to review and monitor the environmental, social and corporate governance performance of the Group.

Yours faithfully,

For and on behalf of the Board

Ms. Ren Wen

Co-chairlady and Executive Director of China Frontier Technology Group

15 April 2025

Environmental, Social and Governance Report

Governance Structure

The Board supports the Group’s commitment to fulfilling its environmental and social responsibility and has overall responsibility for the Group’s ESG strategy and reporting.



The Board regularly reviews the Group’s ESG performance and examines and approves the Group’s annual ESG Report.

Environmental, Social and Governance Report

Stakeholder Engagement

The Group values input and feedback of its stakeholders as they bring potential impacts to the Group's business. Internal and external stakeholders have been involved in regular engagement activities to share views regarding the Group's operations and performances. The Group has specifically engaged the Board members, senior management, frontline staff, governmental organisations, suppliers, business partners and event participants to gain further insights on ESG material aspects and challenges during the Reporting Period.

The Group communicates with different stakeholders through various channels, as shown below.

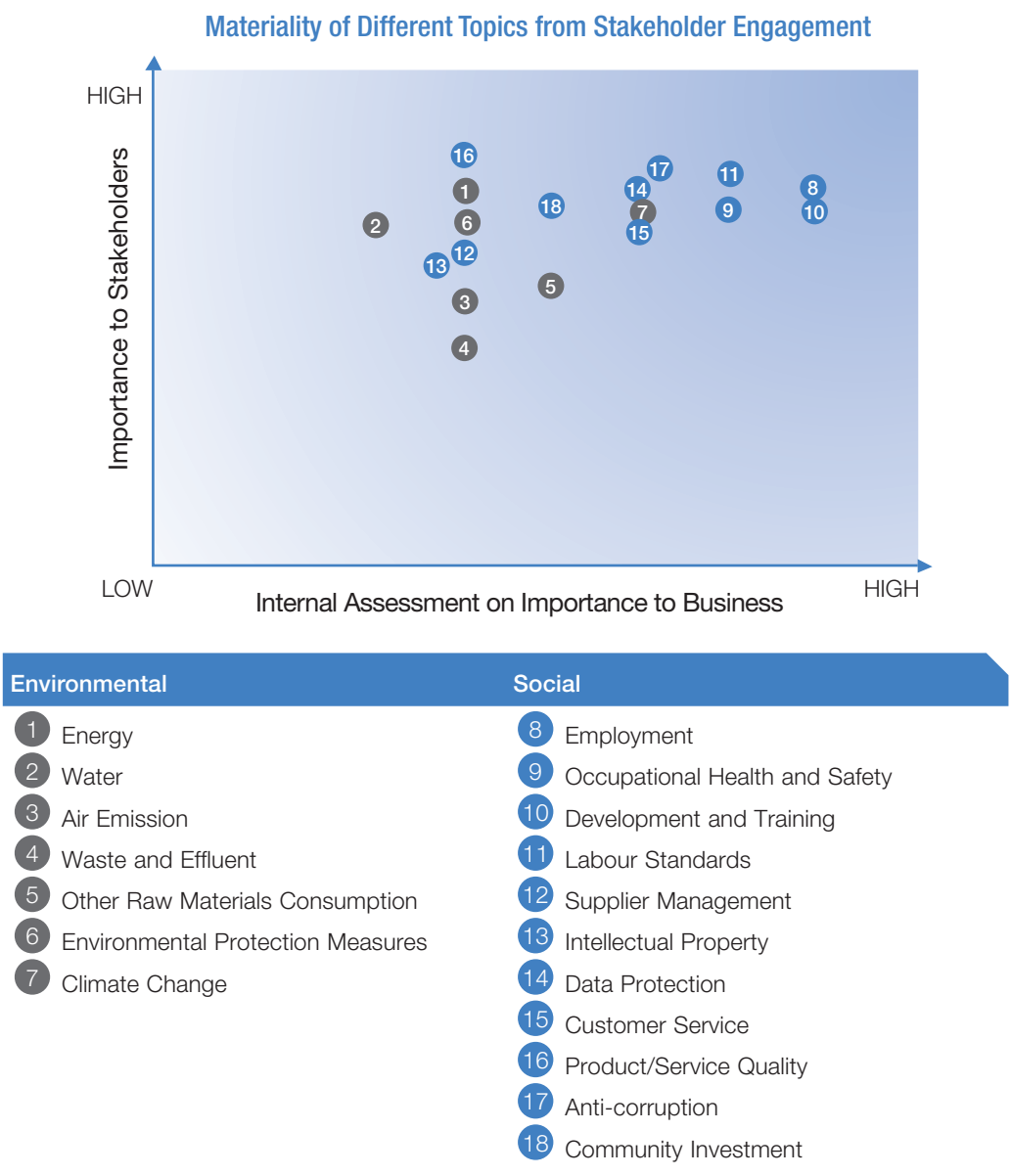
Stakeholder	Communication Channel
Government and regulatory agency	<ul style="list-style-type: none">• Annual reports, interim reports, ESG reports and other public information• Supervision and inspection
Shareholder and investor	<ul style="list-style-type: none">• Annual general meetings and other general meetings of shareholders• Company website• Press releases/announcements• Annual reports, interim reports, ESG reports and other public information
Employee	<ul style="list-style-type: none">• Training• Meetings• Performance evaluation• Survey• Staff engagement and voluntary activities• Internal portal
Customer	<ul style="list-style-type: none">• Fax, email and telephone• Meetings
Supplier/Subcontractor/ Business Partner	<ul style="list-style-type: none">• Meetings• Site visit• Survey• Training
Community and NGOs	<ul style="list-style-type: none">• CSR programmes and voluntary activities• Sponsorship and donation• ESG Reports
Media	<ul style="list-style-type: none">• Enquiry mailbox

Environmental, Social and Governance Report

Materiality Assessment

The Group collects opinions from a wide range of internal and external stakeholders through thematic meetings, questionnaires and regular dialogues, and conducts in-depth discussions on environmental, social and governance (ESG) related issues. Stakeholders include Board members, senior management, frontline staff, suppliers, and clients, ensuring that the main stakeholders of the Group's operations are covered.

Last year, we had in-depth communications with our stakeholders and identified the issues and challenges that were critical to the sustainable development of the Group. After review, the Board confirmed that these issues remain applicable to the current year, and therefore the Materiality Matrix for the current year has been further improved based on the assessment results of the previous year. The Materiality Matrix indicated the impact of various ESG issues on stakeholders and the Group, providing guidance for the formulation of our sustainability strategies and our resource allocation.



Environmental, Social and Governance Report

The Group and its stakeholders identified the following top material aspects:

- Occupational Health and Safety
- Development and Training
- Employment
- Labour Standards
- Anti-corruption
- Data Protection

All topics that were deemed simultaneously important to the stakeholders and the Group's business development were social topics. Details of management approaches to the above material topics are provided in the relevant sections in this Report. The Group will maintain communication with stakeholders, respond to their expectations, promote comprehensive progress in environmental, social and governance, and enhance the long-term value of the Company.

The Group will consider the formation of an ESG working group or committee to prepare for future business development and challenges as and when necessary.

A. ENVIRONMENTAL

In active response to China's dual carbon goals, the Group is dedicated to promoting sustainable operations in order to contribute to a sustainable future. Based on the 2019 baseline, we have established clear emission reduction targets, and are committed to meeting the following targets:

- Reduction of air emission by 1% by 2025, 2% by 2027 and 3% by 2030;
- Reduction of energy consumption in MWh by 1% by 2025, 2% by 2027 and 3% by 2030;
- Reduce water consumption in approximate tonne by 1% by 2025, 3% by 2027 and 5% by 2030; and
- Reduce waste disposal by 1% by 2025, 3% by 2027 and 5% by 2030.

A1. Emissions

The Group did not involve emissions related to manufacturing or production due to the nature of the business. During the Reporting Period, the Group's business operations in the People's Republic of China ("PRC") and Hong Kong are office-based, with significant emissions primarily related to petrol used for company-owned vehicles, electricity consumption for daily office operations, and business air travel. For sports events, the Group will keep track of the use of electricity, water, and packaging materials, and strictly adhere to the government's environmental impact assessment of individual events. In the coming years, the Group will investigate the best ways to streamline systems and processes for effective waste data collection. The Group strictly adheres to the Waste Disposal Ordinance of Hong Kong, as well as the Environmental Protection Law of the PRC (中華人民共和國環境保護法) and the Law of the PRC on Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法) of the PRC. These laws aim to protect the environment and human health by preventing and controlling environmental pollution by solid waste and other public hazards, as well as holding businesses accountable for their environmental impacts and liable for any damages. The Group actively protects natural resources and ensures its operations do not pose significant threats on the environment. Domestic waste and recyclables from office operation are collected daily by cleaning personnel and handled by property management. Domestic and commercial waste generated from sports events will be collected and sorted by volunteers and municipal sanitation works.

Environmental, Social and Governance Report

For the use of vehicles and air conditioners, the Group strictly complies with relevant laws and regulations such as the Air Pollution Control Ordinance of Hong Kong, the Air Pollution Prevention and Control Law of the PRC (中華人民共和國大氣污染防治法) of the PRC, as well as opinions on ecological and environmental protection from the People's Government of Beijing Municipality. Required standards concerning protection of the atmospheric environment and natural environment, and control of atmospheric pollution are enforced by relevant laws, particularly in Beijing in which pollution-prevention plans and ecological preservation in key areas and key river valleys are implemented by the Municipal Government. The Group has maintained strict management and monitoring over vehicle-related emissions generated from daily office work and event operations. In particular for rental vehicles in sports events, the Group has set up rules and guidelines on record keeping on fuel usage, mileage and maintenance works for vehicles, and compliance with traffic-related laws and regulations.

During the Reporting Period, the Group did not note any cases of material non-compliance relating to air pollutant and greenhouse gas emissions, effluent discharge into water bodies or land, or the generation of hazardous and non-hazardous waste as required by the applicable laws and regulations.

A1.1.Air Emissions

During the Reporting Period, the Group's operations did not consume any gaseous fuel thus there was no related direct emission of nitrogen oxides ("NOx"), sulphur oxides ("SOx") and respiratory suspended particles ("PM"). Petrol was consumed for Group-owned vehicles, which contributed to the emissions as follows:

Air Emissions ¹	Unit	2024	2023	2022
Sulphur oxides ("SOx")	kg	0.09	0.12	0.10
Nitrogen oxides ("NOx")	kg	5.08	5.46	4.59
Respiratory suspended particles ("PM")	kg	0.24	0.40	0.34

The Group will continue to monitor closely on the usage of the Group's motor vehicles and refine the data collection system in the future.

Environmental, Social and Governance Report

A1.2.Greenhouse Gas (“GHG”) Emissions²

Scope of GHG Emissions	Unit	2024	2023	2022
Scope 1 Direct Emission				
Combustion of Fuel in Mobile Sources	tonnes of equivalent CO ₂	15.63	21.46	17.88
Scope 2 Indirect Emission				
Purchased Electricity ³	tonnes of equivalent CO ₂	9.95	7.83	7.39
Scope 3 Other Indirect Emission				
Paper Waste Disposal	tonnes of equivalent CO ₂	0.31	0.36	0.13
Business Air Travel ⁴	tonnes of equivalent CO ₂	6.30	13.70	9.66
Total	tonnes of equivalent CO ₂	32.20	43.35	35.06
Intensity⁵	tonnes of equivalent CO ₂ per employee	0.92	2.41	2.34

During the Reporting Period, the Group’s greenhouse gas emissions showed an overall declining trend, but emissions related to electricity consumption increased compared to last year. The Group attaches great importance to the management of greenhouse gas emissions and will continue to closely monitor emissions, conduct in-depth analysis of the sources of emissions and formulate effective control measures to reduce the impact on the environment.

In addition, the Group will further enhance the environmental awareness of its employees and, through publicity, education and training, encourage the initiative and sense of responsibility of all employees to reduce carbon emissions in their daily work.

¹ The calculation of the air pollutant emissions was made reference to “Technical Guidelines for the Preparation of Air Pollutants Emission Inventory for Road Vehicles” (《道路機動車大氣污染物排放清單編制技術指南》). The calculation of NO_x and PM emissions involved data of distance travelled by vehicle, which were estimated by referencing to the data of fuel consumed and fuel consumption of vehicles per 100 km.

² GHG emissions data were presented in terms of equivalent CO₂, with reference to, including but not limited to, the “GHG Protocol: A Corporate Accounting and Reporting Standard” issued by the World Resources Institute and the World Business Council for Sustainable Development, “Appendix II: Reporting Guidance on Environmental KPIs” issued by HKEX, and “Global Warming Potential Values” from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

³ The data for 2024 is calculated with reference to the emission factor of 0.5703 kg CO₂/kWh in the Notice on the Management of Greenhouse Gas Emission Reporting of Enterprises in the Power Generation Industry from 2023 to 2025 (《關於做好2023—2025年發電行業企業溫室氣體排放報告管理有關工作的通知》) issued by the Ministry of Ecology and Environment of the People’s Republic of China; the data for 2023 is calculated with reference to the emission factor of 0.5703 kg CO₂/kWh for purchased electricity promulgated by the Ministry of Ecology and Environment of the People’s Republic of China (2022); and the data for 2022 is calculated with reference to the emission factor of 0.5810 kg CO₂/kWh in the Greenhouse Gas Emission Accounting Method and Reporting Guidelines for Enterprises Power Generation Facilities (2022 edition).

⁴ CO₂ emissions from the Group’s business air travels were reported in accordance with the International Civil Aviation Organisation (ICAO) Carbon Emission Calculator.

⁵ For the years ended 31 December 2024, 31 December 2023 and 31 December 2022, the total number of employees of the Group was 28, 18 and 15, respectively.

Environmental, Social and Governance Report

A1.3. Hazardous Waste

The Group's operations did not generate a significant volume of hazardous waste and thus no such data is included in this Report. The Beijing office only generated a small amount of hazardous waste such as toner cartridges. They were collected by a certified cleaning service provider or contractor for further handling.

A1.4. Non-hazardous Waste

Domestic waste generated from office was handled by municipal authorities. The operations of Beijing and Hong Kong offices disposed of a total of 0.07 tonnes of wastepaper in the Reporting Period.

	Unit	2024	2023	2022
Wastepaper	tonnes	0.07	0.07	0.03

A1.5. Measures to Mitigate Emissions

The Group continues to adopt below initiatives to reduce emissions:

- For business travel of within 1,300 km, the Group encourages employees to take trains instead of planes;
- Encourage daily commute to shift from private cars to public transit such as bus, metro and shared bikes; and
- Maintain stringent management over the use of taxis for local business travel and encourage the usage of teleconferencing systems for meetings and conferences to limit the frequency of business travelling.

A1.6. Waste Reduction and Initiatives

The Group has adopted OA (Office Automation) system to promote paperless office, at the same time encouraging employees to print double-sided, reuse and recycle paper as much as possible.

During sports events, disposable paper cups are inevitable along the course. To minimise disruption to the environment and community in the surrounding area, the Group will enlist volunteers to carry out clean-ups during the activities. Furthermore, from 2015, the Group has been the pioneer of the "No garbage left after the marathon" campaign, in which incentives will be given to the general public to pick up trash for themselves and others following the event.

Environmental, Social and Governance Report

The Group actively promotes environmental protection measures in event operations, reuses materials, and partners with professional cleaners to properly handle both recyclable and non-recyclable trash. Each segment is responsible for its own waste management, for example, contractors are responsible for collecting and disposing of building supplies and construction debris. Mobile public toilets were returned to suppliers after use for further handling, and trash collection locations were set up to collect waste and prevent littering.

The Group will adopt new technologies, environmentally friendly materials, eco-products and alternative energy to reduce the generation of waste and environmental impacts. At the same time, we have used electric cars as sponsor vehicles in events to reduce carbon emissions. Going forward, we will strengthen the data tracking and management for non-hazardous waste, continuously optimise the waste treatment process, and promote the sustainable development of event operations.

A2. Use of Resources

The Group has implemented corporate resource management to encourage the conservation and efficient use of resources and further reduce the overall greenhouse gas emissions. Various management measures and procedures have been developed for office (in terms of waste management, use of equipment and vehicles, and business air travel) and event operations (in terms of resource management and use of vehicles and fuels). Effective management enables the Group to provide participants with environmentally friendly products and services while achieving a comprehensive and sustainable development of the Group. During the Reporting Period, the Group's electricity consumption increased by 16% compared to 2023, mainly due to business expansion and increased operational demand. The Group attaches great importance to energy management and will continue to improve energy efficiency and promote the application of energy-saving technologies to reduce carbon emissions, thereby supporting the national dual carbon goals. In the meantime, we will enhance employees' awareness of energy conservation and promote the participation among all employees to jointly achieve sustainable energy management.

A2.1. Energy Consumption

	Unit	2024	2023	2022
Electricity	kWh	15,962	13,731	12,721
Petrol	kWh	56,811	71,272	59,570
Total energy consumption	kWh	72,773	85,004	72,291
Electricity intensity (offices⁶)	kWh per sq.m	32.58	26.04	19.0
Electricity intensity (events⁷)	kWh per event	7,981	4,577	N/A
Overall Energy Intensity (events⁷)	kWh per event	36,386	28,334	N/A

⁶ The average office size of the reporting year was 489.94 m², 527.26 m² in 2023, and 668.45 m² in 2022.

⁷ A total of two events were held during the reporting year and three events were held during 2023, while no marathon events were held during 2022. As such, energy consumption per marathon event and intensity is unavailable in 2022.

Environmental, Social and Governance Report

A2.2. Water Consumption

The Group's business operation does not consume a significant amount of water or therefore generate large volumes of wastewater, indicating our low environmental impact in terms of water use. During the Reporting Period, the total water consumption of our Hong Kong office was 33.48 m³, with an average water consumption of 1.24 m³ per employee. The Group's Beijing office is located in a commercial building and its lease agreement already includes water charges. Therefore, specific water consumption data is currently unavailable as no stand-alone water meter is installed to record water consumption. However, given the Group's operating locations and the nature of its business, we have not faced any significant challenges or issues in the procurement and management of water resources. The Group will continue to focus on the sustainability of resource use and explore more accurate monitoring methods for water consumption in the future to further enhance the transparency and efficiency of environmental management.

The Group recognises the importance of environmental data transparency to stakeholders and is committed to further improving the environmental data collection and management mechanism. We will actively and properly collect more relevant environmental data and continue to improve the accuracy and completeness of the data, so as to provide stakeholders with more meaningful information to support their assessment of the Group's environmental performance. At the same time, we will continue to promote the optimisation of water management to minimise the impact on the environment while developing our business.

A2.3. Energy Use Efficiency Initiatives

The Group has management regulations on the use of lighting. All office equipment, power sources and air conditioners must be switched off before getting off work and holidays. Signs related to energy saving are provided in common areas to promote energy-saving habits. Initiatives that the Group has set out and implemented successfully during the Reporting Period included the reinforced education on raising awareness of energy conservation at both office and event operations and the inclusion of agenda items of resource management (such as electricity consumption) in regular meetings.

A2.4. Water Use Efficiency Initiatives

The Group promotes water conservation by using water-efficient equipment and raises awareness by displaying signs related to water-saving practices in public areas. For sport events, designated personnel will be assigned as coordinator to inspect water use after each shift to reduce unnecessary water consumption. Due to our business nature and government policy, there was no issue in sourcing water that is fit for purpose.

A2.5. Packaging Materials

The Group's business did not involve any use of packaging materials, hence no data nor information is being presented in this Report.

Environmental, Social and Governance Report

A3. The Environment and Natural Resources

The Group has adopted various measures to reduce the impacts on the environment and natural resources arising from event planning and operations.

Planning of Marathon Projects

- In respect of developing new projects, the Group negotiates with the relevant government authorities to select appropriate routes for marathons, thereby minimising the impact of projects on the environment; and
- The Group integrates messages and educational materials related to environmental protection during promotion activities to raise the overall awareness of potential participants.

Operation of Marathon Projects

- The Group organises environmental training for volunteers helping the marathon events;
- The Group provides sufficient auxiliary facilities (e.g. mobile toilets) to avoid the occurrence of “urinating and defecating along the running track and on the surrounding”; and
- The Group cleans the areas involved promptly after the marathon races to restore them to original condition.

A3.1. Significant Impacts of Activities on the Environment

The Group's business activities do not generate material impacts on the environment and natural resources, other than minor impacts due to electricity consumption from the office operations in Beijing and Hong Kong and frequent business air travel in different cities in the PRC throughout the year. The Group will continue to review current practice and policies and look for alternative solutions to further cut down their relative emissions.

We shall continue managing and operating more events to promote the concept of green, healthy and low-carbon lifestyle after the pandemic, and will continue putting efforts on optimal utilisation of resources and environmentally friendly materials, as well as efficient use of water and electricity during event operation, thereby contributing to reducing greenhouse gas emissions and minimising the Group's impact on global warming.

A4. Climate Change

Climate change is one of the biggest global challenges faced by the society nowadays, and we must act now for our climate and our communities. In recent years, extreme weather, such as strong winds and heavy rainfall, as well as tides and floods, have become the focus of news. Logistics and supply chains are particularly vulnerable. Heavy rainfall, rising tides, and floods can cause impact and cancellation of our events and cause serious damage to assets such as buildings, warehouses, and goods in storage, resulting in financial losses. Although such incidents are beyond everyone's control, the Group believes that all stakeholders should work together to address climate change, which will also be regarded as one of the most significant risks to the world in the next five years.

Environmental, Social and Governance Report

The Group has further enhanced its disclosure in this year. The Group's business units have strengthened analyses on the risk and opportunities from climate change specific to their markets.

The Group understands that climate change may have significant impacts on our operations and essentially plans to respond to local government initiatives and follow local governments' emission reduction requirements. We aim to reduce emissions by around 3% by 2030 and ensure the Group's greenhouse gas emissions will comply with the local requirements on or before 2030. Our target is to achieve carbon neutrality by 2050 in Hong Kong region and by 2060 in PRC. We are committed to continuously improving our energy efficiency, applying professional knowledge to improve on-site efficiency and maintain efficient management support, in order to safeguard the Group's reputation.

Over the years, we have been grasping different opportunities to expand our business, accelerate the transformation and make the Group smarter, more environmentally friendly, and safer for employees and users (such as automation, and utilising digital platforms for online conference to reduce carbon footprint in transportation, utilising electric vehicles instead of fossil fuel vehicles). These measures have made our facilities becoming more sustainable and fulfil our commitment to resource management and environmental protection.

Action on climate change

Action on climate change is embedded in the Group's business strategy and reflected in the governance and management processes of the Company. The index table below outlines where to find the core elements of how the Group responds to the Stock Exchange's recommendations on ESG (including climate-related issues).

Core element	The Group's response
Governance	<ul style="list-style-type: none">Consider setting up ESG Working Group and regular meetingIntegrate ESG topics (including climate-related issues) in corporate decision making
Strategy	<ul style="list-style-type: none">Understanding climate risks and identifying risk and opportunities in low-carbon transition
Risk Management	<ul style="list-style-type: none">The Board to discuss about ESG risksPreparing for the transition to a low-carbon economyPreparing and developing measures to physical climate risks
Metrics and Targets	<ul style="list-style-type: none">Investing in transition enablersCreating value in the low-carbon transition

Environmental, Social and Governance Report

The Group has identified a series of climate-related risks and opportunities relevant to our assets and services which are significant to us. These transition and physical risks are discussed in the sections below.

	Risks	Opportunities
Short term (0 – 1 year)	<ul style="list-style-type: none"> Physical risks from extreme weather events Securing the skills and capability required to implement climate strategy 	<ul style="list-style-type: none"> Sourcing new environmentally friendly products and establishing supply chains for customers, making contribution to decarbonisation Technologies to enhance the performance of operation and energy efficiency
Medium term (5 years)	<ul style="list-style-type: none"> Transition risks – Implementation of low-carbon policies for the operation Transition risks – Supply and demand for certain commodities, products and services may change as climate related risks and opportunities are increasingly taken into account 	<ul style="list-style-type: none"> Transitioning to low carbon economy market to meet government decarbonisation targets Opportunities arising from transition enablers
Medium to long term (5+ years)	<ul style="list-style-type: none"> Transition risks – Potential new regulation and policies Transition risks – Development and use of emerging technologies may increase the operational costs, and reduce the Groups' competitiveness Transition risks – The Group's reputation may be impacted due to changing customer or community perceptions of said the Group's contribution to or detraction from the transition to a lower-carbon economy 	<ul style="list-style-type: none"> Transitioning to low carbon economy market to meet government decarbonisation targets Opportunities arising from transition enablers To work as a pioneer in the industry and build up the relevant reputations Developing advanced technology to align with the market needs in low carbon economy

Environmental, Social and Governance Report

Physical climate risks have the potential to damage the integrity of the Group's assets or interrupt our events organisation, service delivery and customers directly. The Group has already set up a number of measures in place to enhance the reliance of its operations.

Transition risks have the potential to increase the operational cost and legal risk due to change of policy, technology development, relevant risk affected to supply and demand, and reputation due to public perceptions. The Group has already identified the relevant risks and continues to monitor the market and policy updates. The Group has also planned to invest according to the market needs and takes this as an opportunity for long term development, such as using more electric vehicles in our operations and events. Besides, we will encourage our staff to use teleconferencing system for meeting and we have planned to upgrade the system in future.

Over the years, a series of measures have been adopted to put in place along the Group's value chain, helping the Company to be prepared for climate events. These measures are deployed for different geographies, taking into account the asset types, locations and relevancy. They are summarised in the table below:

Relevant part of the value chain	Relevant measures
Supply chain	Diversify materials supplies from multiple suppliers, sources and countries.
Operation	<p>Monitor and inspect assets regularly</p> <ul style="list-style-type: none"> – Maintenance of a Contingency Plan for all facilities <p>To address extreme heat and increased temperature:</p> <ul style="list-style-type: none"> – Maintain cooling equipment in good conditions to improve efficiency in long term <p>To address the risk of water shortage and drought:</p> <ul style="list-style-type: none"> – To maintain water tank(s) in facilities and events if possible – Purchase drinking water with sufficient storage for operation and events
Services	<ul style="list-style-type: none"> – Establish a typhoon and extreme weather response protocol and coordinating system, sports events will be cancelled or postponed in case of adverse weather conditions and provide supplies for sports events participants to fulfil their needs when there is heat stress or cold weather, we ensure smooth execution of contingency plans by implementing measures as stated above – Utilise the emergency restoration system, enabling rapid construction of temporary masts that can shorten the restoration of power supply – Enhance the communication capacity of customer services, in particular post-incident customer communication

Environmental, Social and Governance Report

Investing in transition enablers

Investment in a broad range of transition enablers is required to transform the business to low-carbon economy. The Group will invest more resources to purchase electric vehicles (EVs) to replace the old vehicles consuming fossil fuel in future and encourage our suppliers and contractors to use EVs in our events in future. The Group is also willing to develop advanced technology related to sports events, so that it can deliver high standard sports events to the society.

Our Path to 2050

The Group is prepared to address the threats climate change poses both to our business and to the communities that we serve. We are determined to deliver on our purpose to provide safe, reliable, and affordable services for customers, and we are fully aware that our environmental responsibility has never been greater. Every one of us needs to play our part and together we can speed up the pace of low carbon transition and create a low-carbon world for our future.

B. SOCIAL

1. Employment and Labour Practices

B1. Employment

The Group's current corporate management related to human resources covers detailed measures on recruitment and dismissal, compensation, remuneration, performance assessment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other employees' benefits and welfare. We have defined the above in detail in our Employee Handbook. The Group did not note any cases of material non-compliance concerning employment during the Reporting Period and strictly complied with national and local laws and regulations, including but not limited to the followings:

- Labour Law of the PRC (中華人民共和國勞動法);
- Labour Contract Law of the PRC (中華人民共和國勞動合同法);
- Social Insurance Law of the PRC (中華人民共和國社會保險法);
- The Trade Union Law of the PRC (中華人民共和國工會法);
- Employment Ordinance of Hong Kong;
- Employees' Compensation Ordinance of Hong Kong;
- Sex Discrimination Ordinance of Hong Kong;
- Disability Discrimination Ordinance of Hong Kong;
- Family Status Discrimination Ordinance of Hong Kong; and
- Race Discrimination Ordinance of Hong Kong.

Environmental, Social and Governance Report

The above laws were written to protect employees' legitimate rights and to ensure that they are treated fairly and enjoy the social insurance benefits, to maintain a stable employment relationship between employees and the Group through the requirements of the labour contract, as well as to safeguard the rights and obligations of trade unions. The Group uses Labour Law as guidance and reference for continuously improving the Employee Handbook and standardising terms and rules to provide the best protection for both business and employees. The Group also strictly follows the Labour Contract Law while developing the employment contract with the employee and provides detailed explanations on the terms and clauses. New recruits are also required to attend training to ensure the understanding of the contract agreement. Moreover, the Group provides five types of insurance and one type of fund as well as Mandatory Provident Fund for all employees in the PRC and Hong Kong respectively to ensure that they enjoy social insurance benefits. Furthermore, under the Trade Union Law of the PRC, the Group has established independent trade unions, female workers' committee and study groups to support and care for employees who have difficulties or special needs.

Total Employees and Daily Management

Our employment profile during the Reporting Period is shown as follows:

Workforce As of 31 December 2024 ⁹		2024
By Gender		
Male		12
Female		16
By Age Group		
26-35		10
36-45		12
46-55		5
56 or above		1
By Employment Type		
Permanent		3
Contract		25
By Geographical Region		
Hong Kong		16
Mainland China		12
Total		28

⁹ It includes the employees of the Group only. Workers of the subcontractors are not included.

Environmental, Social and Governance Report

Our employees' turnover rate during the Reporting Period is shown as follows:

Turnover Rate ¹⁰		2024
By Gender		
Male		21.43%
Female		3.57%
By Age Group		
26-35		3.57%
36-45		3.57%
46-55		7.14%
56 or above		10.71%
By Geographical Region		
Hong Kong		21.43%
Mainland China		3.57%
Total		25.00%

The Group had a total number of 28 employees as of 31 December 2024, in which 27 employees were full-time employees.

The Group is also committed to providing a comfortable working environment as well as diversified and enriched cultural and leisure activities for its staff. The Group continues encouraging employees to decorate their workstations according to their personal preference to create a relaxing and pleasant working environment. Team-bonding and festive activities such as cultural integration, birthday parties, traditional food cooking classes, sports competitions, and film screening were held regularly. We have organised annual meal gathering for our employees to show our gratitude towards their effort throughout the year.

Remuneration, compensation and other welfare and benefits

The Group provided its employees with competitive remuneration and made contributions to a series of basic social insurances, including endowment insurance, basic medical insurance, unemployment insurance, work injury insurance and maternity insurance. It also provided other employee benefits such as medical check, and contributed to their housing provident fund. The Group cares for the health of our employees and we do not encourage them to work overtime, however if work overtime is required, employees are entitled to compensation leave according to the Group's relevant arrangements.

¹⁰ Turnover rate = Total number of departures during the Reporting Period/Total number of staffs at the end of the Reporting Period. The Group had a total of 7 employees turnover during the Reporting Period.

Environmental, Social and Governance Report

Performance Assessment and Promotion

The Group conducted performance assessments regularly for employees with fairness and promoted employees with outstanding performance, providing equal and strategic career paths to employees for their development and stronger management capability. Apart from the results of the employees' performance assessments; promotions may also occur subject to changes of the operating environment and adjustment of the Group's structure.

Dismissal

To ensure the continuity of business operations and effective allocation of human resources, the Group has formulated a clear policy for resignation notice. In case of resignation, a full-time employee is required to submit no less than 30 days of prior written notice; a senior executive or a new employee in key positions is required to submit no less than two months of prior written notice, thus ensuring business stability and smooth handover. In addition, for employees under probation, three days of prior notice to the Group is required for termination of the employment contract. The Group would ensure that the employees have returned all properties which belong to the Group and all work-related information remains in the Group. For any losses incurred that harmed the Group's interest due to incompliance with the resignation procedures for resignation caused by the employees, the employees would be liable for the compensation of the Group's loss. For employees who committed serious misconduct, the Group has the right to terminate the labour relationship with them.

Working Hours and Rest Periods

The Group observed the provisions of the Labour Law of the PRC (中華人民共和國勞動法) and ensured that the working hours of employees were limited to eight hours per day or 40 hours per week. The working hours of some employees were calculated in terms of the year, which would not exceed the statutory working hours. Besides, the Group provided full protection for paid leave entitlement, including annual leave, to its employees. To care for the needs of our employees, the Group, on the other hand, also provided paid sick leave, work injury sick leave, maternity leave, marriage leave and bereavement leave for employees who passed the probation period.

Equality, Diversity and Anti-discrimination

As one of the largest industrial operations in China sports industry, "fair and respect" is our core value. By upholding the principles of equality, diversity, and anti-discrimination, the Group has exercised complete respect to the legitimate rights and interests of all employees to eliminate matters related to gender discrimination, racism, and religious discrimination. We are "zero tolerance" to any kind of discrimination in our Group.

Environmental, Social and Governance Report

B2. Occupational Health and Safety

Due to the nature of the business, the Group does not involve working in a manufacturing or production environment. The Group strictly observed the laws and regulations concerning health and safety such as the Occupational Safety and Health Ordinance of Hong Kong, the Law of the PRC on the Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法) and the Production Safety Law of the PRC (中華人民共和國安全生產法) and, along with the expectations and requirements by the suppliers, athletes and customers for a healthy and safe working environment. Being in the sports industry and under the Law of the PRC on the Prevention and Control of Occupational Diseases, the Group's business has minimal exposure to occupational diseases and hazards. Nevertheless, all employees are required to provide medical records dated within the past six months upon recruitment and will be provided with an annual health check.

To ensure the hygiene of our working environment, the Group has stipulated in the Employee Handbook that employees have to pay extra care to their personal conduct, behaviours such as spitting or leaving cigarette butts behind are subject to punishment of general misconduct.

Being in the event industry, employees are required to carry out frequent business trips to ensure smooth and effective commencement of event operation. Therefore, the Group provides employees specific training on health and safety risks which may arise from business trips or at work, to equip them with knowledge and skills. We arrange staff from the medical and health department to support our events and to provide emergency medical treatment if necessary.

Despite the fact that our working environment is relatively safe, the Group has arranged fire drills regularly to facilitate the awareness of occupational safety in our working environment.

There were no work-related fatalities or injury cases since 2019 till the end of the Reporting Period. No non-compliance with relevant laws and regulations that had a significant impact on the Group relating to the provision of a safe working environment and protecting employees from occupational hazards had been identified during the Reporting Period.

Environmental, Social and Governance Report

B3. Development and Training

The Group attaches great importance to the nurturing of talent and enhancement of knowledge to satisfy the development needs of staff from various positions and has stipulated in the Employee Handbook regarding development and training management. At the same time, to meet the market demand and business growth, the Group recognises the significance of providing comprehensive training and development opportunities to build an outstanding sports event operation and management team. Specific training in the areas of international and local market trends, industrial standards, organisation management and business strategy were provided with a total of 11 (2023: 11) participants.

	Unit	2024 ^{11, 12}	2023 ¹²	2022
Percentage of Employees Trained				
By Gender				
Male	%	64	50	45
Female	%	56	100	100
By Employment Category				
Senior Management	%	31	80	100
Middle Management	%	100	100	100
Frontline and Other Employees	%	25	22	25
Average Training Hours Completed per Employee				
By Gender				
Male	hours	2	6	2.7
Female	hours	3	6	9
By Employment Category				
Senior Management	hours	3.1	14.5	11.6
Middle Management	hours	2	2	2
Frontline and Other Employees	hours	2.2	2	0.5

¹¹ Percentage of employees trained = Number of employees trained during the Reporting Period/Total number of employees as at the end of the Reporting Period. The Group had a total of 16 employees who received training during the Reporting Period.

¹² Average training hours completed per employee = Total number of training hours during the Reporting Period/Total number of employees as at the end of the Reporting Period. The Group had a total of 70 training hours achieved during the Reporting Period.

Environmental, Social and Governance Report

Training Methods

- The Group organises Staff Training Session from time to time to ensure that the professional knowledge of its staff can keep pace with industry development;
- The Group supports and encourages management staff with potential to participate in EMBA and other courses organised by institutions of higher learning;
- The Group engages experts in the industry or senior lecturers in the related field to give lessons to employees; and
- Role-playing and job rotation elements are added in training sessions for employees to improve their skills and responsibilities in simulated working conditions and scenarios.

B4. Labour Standards

Our employment practices and labour standards were stipulated in our Employee Handbook. The Group strictly complies with the Employment Ordinance of Hong Kong, the Labour Law of the PRC (中華人民共和國勞動法), the Labour Contract Law of the PRC (中華人民共和國勞動合同法) and the Provisions on the Prohibition of Using Child Labour (禁止使用童工規定) and other laws and regulations concerning labour standards of Hong Kong and the PRC, and there was no child labour nor forced labour working in the Group during the Reporting Period. There was no material impact to the Group's business as recruited candidates were always 20 years old or older (we ensure that by requiring our candidates to submit their identification documents for our verification purposes), with a college degree or above and with full capability on carrying out civil duties. The Group made sustained efforts to safeguard the legitimate rights of its staff and continue to review the employment practice regularly to avoid child and forced labour. The Group upheld fair and legal relationship with its employees and strictly followed the terms written in the labour contract. A labour union has been established to guarantee the independent operation of the union under the Trade Union Law of the PRC (中華人民共和國工會法) and other relevant requirements. In case if any child or forced labour cases are discovered, the Group will respond immediately by ceasing the employment of the labour with stringent follow up actions taken, disciplinary actions will be taken, and responsible employees might be dismissed if the cases are serious.

2. Operating Practices

B5. Supply Chain Management

Operation process optimisation and the result of sports event operation are always the concerted efforts of various suppliers and partners. Accordingly, the Group pays great attention to its supply chain management. It has formulated regulations for supplier management to strictly control the admission of suppliers and exercise dynamic management over the selected suppliers. Management measures such as Bidding Management System and Procedure, Review Regulations on Project Bidding Documents, and Procurement Management System and Procedure are established to ensure a stable and efficient supply chain.

Environmental, Social and Governance Report

Environmental and Social Control on Suppliers

The Group enforces control and closely follows the environmental and social performance of suppliers, particularly for environmentally friendly products and equipment, and safe working condition for food and beverage productions. Purchasing department considers the overall product quality, performance, reputation, price and eco-friendliness, etc. of suppliers and grants selection priority to those with lower environmental impacts. Moreover, the Group promotes its corporate policies and management to suppliers and contractors and encourages their commitment to environmental protection and social responsibility upon engagement.

Admission of Suppliers

The Group conducts the following practices to choose our suppliers:

- Conducts comprehensive assessments on the qualification of its suppliers and contractors to ensure the fairness and transparency of the screening process;
- Carefully selects the media to cooperate with and reinforces its strong alliance with China Central Television and local satellite television stations; and
- Classifies its sponsors into different categories and formulates different admission standards accordingly. Priorities will be given to domestically and internationally leading brand sponsors except for small events. Besides, all advertisements of the sponsors are subject to review by the Sports Event Organising Committee and local sports bureau for event operation to ensure that there are no false claims or exaggerated promotions.

Management of Suppliers

The Group conducts the following practices to manage our suppliers:

- Exercises dynamic management over selected suppliers and partners. Qualification of suppliers and partners are examined regularly to assure the quality, timeliness and reasonable cost of products and services procured;
- In case of breach of supplier management regulations, the Group shall either issue warning to the supplier or disqualify the supplier. In case of misconduct such as environmental pollution or breach of labour standards of suppliers or partners, the Group shall also disqualify the supplier or terminate the partnership.

As at the end of the Reporting Period, the Group had a total of 3 suppliers from the PRC and 1 supplier from Hong Kong. All our suppliers were managed and monitored under the supplier chain management practices as mentioned in this section.

Environmental, Social and Governance Report

B6. Events/Services Responsibility

During the Reporting Period, the Group did not note any cases of material non-compliance regarding health and safety, advertising, labelling and privacy matters relating to products and services provided as required by related laws and regulations.

The Group strictly complies and actively responds with the Sports Law of the PRC (中華人民共和國體育法). This law ensures the reliability of funding sources, deters the use of banned drugs in sports activities and safeguards the professionalism and fairness of sports events, as well as promoting sports culture and nationwide fitness, and the inclusion of Chinese talents. The Group has always been organising marathons intending to develop and promote nationwide sports. Every individual including families, elderlies, people with disabilities, and groups like local enterprises, trade unions and social groups, as well as international athletes, are encouraged to participate. The Group also puts efforts in developing advanced technology related to sports events and maintains high standards of marathons by inviting athletes and referees with technical levels corresponding to the levels of marathons. Volunteers and supporting units shall be recognised with certifications. Arbitration committee is being set up for every event to handle any disputes in the competitions.

The Group also follows the principle, “Prevention first, Education oriented” of the Anti-doping regulations, by carrying out education works related to anti-doping through official websites and online platforms as well as offline lectures. The Group also invites professionals from national anti-doping testing centre to conduct testing on top runners from marathon events.

Adhering to the brand philosophy of “Wisdom in the mind and fitness in the body”, the Group strives to provide professional and safe sports services for hundreds of millions of participants and promote green Gross Domestic Product growth through its marathon event operation.

Professional Sports Services

The Group has adopted various management systems related to bidding tenders, event registration, event work process, event contract and finance and rental vehicles to ensure that consistent and professional sports services and events are provided. To ensure a smooth bidding work, the Group has standardised the preparation works for various types of services and relevant documentation for more efficient and better monitoring of bidding progress. For event registration, the Group has developed consistent methods on the registration-related procedure, official website, data management, event short message service (SMS) planning, consulting works and result announcements. The Group has a standardised system on managing the contract's execution, strengthening its cost management and preventing loss of assets. The Group has also set up standard procedure on financial issues involving receipt, budget, financial approval and service agreement arising from business operations. Lastly, for better management of rental vehicles in marathon events, the Group has set up rules and guidelines on driver qualification, record keeping on fuel usage, mileage and maintenance works for vehicles, insurance, and compliance with traffic-related laws and regulations.

The Group has also set up an organising committee and customer service hotline and emails as proper channels to collect and handle customers' and participants' feedback. There were no complaints received related to products and service provided during the Reporting Period.

Environmental, Social and Governance Report

Safe Sports Service

As a long-distance running sport, marathons may cause physical issues and injuries to some of the participants due to the strong intensity of exercise. To ensure the safety of participants, the Group optimises its application management and sports events management system continuously so that the participants are offered with safe and reliable sports products. During the Reporting Period, the Group has experienced no incident of fatality or serious injury of participants as a result of its marathon events.

Application

- The Group has formulated stringent application requirements based on the conditions of the marathon events: Applicants for marathon events may be required to provide certified medical examination reports dated within one year or post-marathon reports, etc.;
- The Group puts great effort into protecting the privacy of its customers. Information of participants will be managed collectively by the back office of the Group to ensure information security; and
- The Group maintains insurance for participants with insurance coverage of 100%.

Competition

The Group cooperates with the relevant departments and authorities in places where it operates to select the appropriate time and routes for competition.

- The Group ensures that medical plans, security measures and emergency plan are in place before each marathon;
- The Group provides detailed competition guide on the official competition website, including information such as roadmap, location of supply points, washrooms and medical stations, weather forecast, etc.;
- The Group invites physicians to participate in the marathon, and provides Automated External Defibrillator along the track and near the finish line to prevent accidents and ensure timely and effective rescue measures; and
- The Group sets up appropriate track and grandstand. Special attention is paid to the zoning at the finish line to make sure that there is a safe distance between participants and spectators.

Environmental, Social and Governance Report

Intellectual Property

To maximise the protection of the Group's interest, great attentions are paid for applying and protecting intellectual property rights, such as trademark, patents, copyrights, domain names, etc. During the cooperation with individual units or partners, detailed provisions shall be made clear on the intellectual property right's ownership, the scope of use, development result, etc., as well as proper handling of relevant legal documents and the non-disclosure agreement ("NDA") in the employment contract. To implement the objectives stated above, the Group has established "Intellectual Property Rights Protection Notice" as guidelines for employees and relevant parties to follow and comply. Any breach or non-compliance of the NDA may lead to termination of labour relationship, offenders may be prosecuted by relevant local authorities and the Group reserves the right to claim for any losses caused lawfully.

Customer Data Protection and Privacy

For customer, staff, event participants and other stakeholders' data and information, the Group has rules on protecting customers' privacy and data protection stipulated in our Employee Handbook. No material non-compliance with laws and regulations (including but not limited to the Personal Data (Privacy) Ordinance of Hong Kong and the Advertising Law of the PRC (中華人民共和國廣告法)) concerning customer data protection and privacy was recorded during the Reporting Period.

B7. Anti-corruption

The Group strictly abides by the Criminal Law of the PRC (中華人民共和國刑法), the Anti-Unfair Competition Law of the PRC (中華人民共和國反不正當競爭法), the Interim Provisions of the State Administration for Industry and Commerce on Prohibition of Commercial Bribery (國家工商行政管理局關於禁止商業賄賂行為的暫行規定) and other laws and regulations concerning anti-corruption in Hong Kong and the PRC. The Group does not engage in unfair competition with its business and protects the quality of event service. It also strictly maintains social and economic orders and has no tolerance for misconduct, malpractice, and infringement on personal and democratic rights. The Group also determines to maintain a healthy market competition without jeopardising the legitimate rights and interests of other operators and consumers.

Moreover, to prevent corporate crimes related to accepting bribes from non-state workers, embezzlement, misappropriating funds or infringement of intellectual property, the Group has established various measures, such as Procedure for Employees on Reporting Potential Misconduct, Anti-fraud Reporting System and Management System for Intellectual Property Protection, to prevent such behaviours and protect the Group's legal rights.

To create a fair, transparent, legal and compliant business environment, the Group also established a series of systems related to procurement, marketing and management to prevent illegal activities such as commercial bribery, malpractice, misappropriation of public funds, extortion, money laundering, etc. Business partners with the Group must sign an agreement on the prohibition of commercial bribery upon engagement when necessary.

Environmental, Social and Governance Report

The Group highly values business integrity and adheres to high ethical standards. Employees at different levels are responsible for co-creating a clean business environment. The Group provides online anticorruption materials for its employees to increase their knowledge and understanding on relevant anti-corruption laws and regulations, code of conduct, and their roles and responsibilities. The Group provided anti-corruption training to half of its employees, with an average training hour of 1.5.

The Group has effectively managed its corruption-sensitive segments and prevented the risk of non-compliance by formulating and implementing its anti-corruption policies. During the Reporting Period, the Group was not involved in any litigation or corresponding penalties due to embezzlement, corruption and bribery.

Anti-corruption Policies

- The Group has formulated anti-corruption policies and established a reasonable internal control system to set out the management measures for corruption-sensitive segments and forbid its staff from obtaining benefits through illegal means; and
- The Group has included anti-commercial bribery and anti-corruption clauses in its contracts to ensure a transparent procurement process.

Anti-corruption Measures

The Group has established an anti-corruption organisation led by the internal control department of the Company.

- The person-in-charge of each of the departments is responsible for the implementation of anti-corruption measures within the department;
- The Group has established a rewarding anonymous reporting channel for any corruption to encourage whistle-blowing with strong protection for information about the whistle-blower; and
- The Group has organised anti-corruption publicity and education for its staff from time to time. During the Reporting Period, Directors and employees were required to self-study the anti-corruption related training materials.

Anti-corruption Handling

The Group conducted investigations into staff involved in corruption, which might be submitted to the law enforcement authorities depending on the seriousness of the case. We also complied with all applicable laws on prohibiting corruption and bribery of the PRC. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

Environmental, Social and Governance Report

3. Community

B8. Community Investment

The Group is committed to creating friendship, care and respect among our community. With continuous efforts over the years, the Group has continued to develop and establish competition events with local relevance and higher standards, through which it has proactively fulfilled its corporate social responsibilities and contributed to the promotion of nationwide fitness. We firmly believe that the success of a company lies not only in its commercial achievements, but also in its positive impact on society.

To this end, the Group has established “Policies on Community Investment and Charity Management” stating out the approval procedures and responsibilities of each party for employees to follow and comply with. This policy aims to ensure the transparency and effectiveness of all public welfare and charitable activities, and to encourage employees to actively participate in community building, thereby promoting harmonious social development. We will continue to strengthen our connections with the community in an innovative and responsible way and contribute to social progress and sustainable development.

Promotion of Nationwide Fitness

- The Group developed and operated diversified and multi-level marathon events;
- The Group made voluntary promotion to the participants and audience of competitions through online promotion, and distribution of promotional materials at the event to enhance public awareness of nationwide fitness; and
- The Group reserved enrolment quota for the disabled in its marathon events to promote nationwide fitness among disadvantaged groups.

Directors' Report

The Directors are pleased to submit their annual report together with the audited financial statements for the year ended 31 December 2024.

GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 21 March 2012 and the shares of the Company (the “**Shares**”) have been listed on the Main Board of the Stock Exchange since 11 July 2013 (the “**Listing Date**”).

BUSINESS REVIEW

Principal Activities

The Group is a prominent sports culture group in the PRC engaged in the provision of events operation and marketing services, and sports services, in the PRC and Hong Kong with a special emphasis on the development and extension of the sports industry chain. The principal activities and other particulars of the Company's major subsidiaries are set out in Note 23 to the consolidated financial statements of this annual report.

For the detailed review of the Company's business, indication of further development in the Company's business and the Company's environmental policies and performance, please refer to the subsections headed “Group Overview” and “Outlook of the Industry and the Group” under the Management Discussion and Analysis section, and the section on Environmental, Social and Governance Report of this annual report, respectively.

PRINCIPAL RISKS AND UNCERTAINTIES

- Occurrence of major public health and safety emergencies, such as the novel coronavirus pneumonia outbreak negatively affects the Group. In order to avoid the spread of virus caused by crowded gathering, large-scale sports events will be cancelled or postponed for a long time, which will have negative impacts on the Company's business development and profitability.
- In the course of marathon events, the participants may encounter unexpected situation, such as sudden death. In addition, since marathon events in large cities attract a large number of participants (20,000-30,000 persons), such large-scale people gathering may contain public safety risk, such as crowded stampede, terrorist attacks, etc. These above situations will affect normal operation of the events and bring adverse impacts to the Company.
- Marathon market is becoming increasingly popular, industry competitors are constantly emerging, and the competition is getting keener. As economic growth of the PRC slowed down, the main revenue of marathon events comes from the sponsorship amount of sponsors. The poor economic situation will lead to the cancellation or reduction of the budget of sponsors, which will have negative impacts on the Company's profits.
- During the implementation of events, the Company needs to keep in touch with local governments, sports bureaus, television stations, suppliers, and sponsors frequently. In the communication process, unexpected temporary adjustment cases may happen, or the change of people in charge from the other sides may happen and cause obstructed communication. These situations may affect normal operation of events, increase the difficulty of implementation and bring risks to normal business operation of the Company.

Directors' Report

- The success of the event organisation, management and promotion business depends on the Group's ability to renew the agreements for the existing sports competitions and events organised and to introduce new sports competitions or events. The Group is currently licensed by sports organisations or their authorised agents to organise certain sports competitions for a limited period of time. Therefore, the Group is subject to changes of strategies by those sports organisations, as well as other uncertainties that could result in its failure to renew the existing cooperation agreements with those sports organisations on commercially feasible terms, which in turn may have an adverse effect on the Group's ability to maintain the increase in its revenues and its profitability.

Financial Summary

A summary of the audited results and of the assets and liabilities of the Group for the last five financial years is set out on page 176 of this annual report. For further analysis using financial key performance indicators, please refer to the subsection headed "Financial Review" under the Management Discussion and Analysis section of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in the Management Discussion and Analysis section, there is no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects since 31 December 2024 up to the date of this annual report.

Compliance with the Relevant Laws and Regulations that have a Significant Impact on the Company (including Environmental Policies and Performance)

The Company complied with the relevant laws and regulations including environmental policies and performance that have a significant impact on the Company in the PRC and Hong Kong during the year ended 31 December 2024.

Relationships with Employees, Customers, Suppliers and Others

The Group has good relationships with its employees, customers and suppliers since its establishment.

Employees

Ongoing professional development is important to the employees given the competitive business environment in which the Group operates. To ensure employees can continue to cultivate skills and knowledge for the fulfillment of their duties and responsibilities, the Group has provided various training programs to its staff. Further information about training attended by the Group's employees and their remuneration package during the year ended 31 December 2024 is set out in the subsection headed "Employees" under the Directors, Senior Management and Employees section of this annual report.

Major Customers and Suppliers

The Group kept excellent relationships with customers and suppliers and had developed a diversified customer and supplier base during the year ended 31 December 2024.

After the COVID-19 pandemic, with the recovery of the sports industry in the PRC, the Group expects that the reliance on the major customers and major suppliers will gradually reduce to a normal level in the future. However, the actual recovery rate of the business of the Group may be affected by the uncertainty in the macroeconomic environment. Nonetheless, during the Reporting Period, the Group has been maintaining close contact with customers and suppliers to ensure the normal operation of the events.

Directors' Report

The Group's five largest customers are engaged in business ranging from the auto industry to the multimedia industry. Among them, the Group has been in cooperative relationship with one of the major customers in the auto industry for 5 years. During the year ended 31 December 2024, the Group's five largest customers accounted for approximately 100% of the Group's total revenue from rendering of services and the Group's largest customer for the year accounted for approximately 64.82% of the Group's revenue from rendering of services. The Group has maintained a stable relationship with the largest customer since 2021.

The Group's five largest suppliers are engaged in business ranging from the multimedia industry to the sports culture industry. Among them, the Group has maintained cooperation with a major supplier in the multimedia industry for many years. During the year ended 31 December 2024, the Group's five largest suppliers accounted for approximately 98.62% of the Group's total purchases, while the largest supplier for the year accounted for approximately 67.81% of the Group's total purchases.

To the knowledge of the Directors, none of the Directors or their respective close associates or any of the shareholders of the Company who owns more than 5% of the number of the issued shares of the Company has any interest in any of the Group's five largest customers or suppliers.

RESULTS AND DIVIDENDS

Results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil). The Company did not declare payment of an interim dividend for the six months ended 30 June 2024.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2024 are set out in Note 32 to the consolidated financial statements of this annual report.

RESERVES

Details of the movement in the reserves of the Company during the year ended 31 December 2024 are set out in Note 34 to the consolidated financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to approximately RMB173,408,000.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or applicable laws of the Cayman Islands where the Company was incorporated.

CHARITABLE DONATIONS

During the year ended 31 December 2024, the Company did not make any charitable donations.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the year ended 31 December 2024 are set out in Note 20 to the consolidated financial statements of this annual report.

Directors' Report

BANK BORROWINGS AND INTEREST

The Company had bank borrowings of RMB6.64 million as at 31 December 2024.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2024.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company as disclosed in this annual report, the Company has not entered into any equity-linked agreements during the year ended 31 December 2024.

EXCHANGE RATE

For the year ended 31 December 2024, the Group faced no major difficulties or impacts regarding its operations or capital flow due to the fluctuation of foreign exchange rate.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of his/her duty, or supposed duty, in his/her respective offices or trusts.

There is appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company.

DIRECTORS

As at the date of this Directors' Report, the information of the Directors is illustrated below:

Name	Title in the Company	Date of appointment
Ms. Ren Wen	Co-chairlady and executive Director	21 March 2012 ¹
Mr. Wong Man Keung	Co-chairman and executive Director	23 January 2024
Ms. Ren Song	Co-chairlady and executive Director	23 January 2024
Mr. Sheng Jie	Vice Chairman and executive Director	2 January 2019 ²
Mr. Chang Hai Song	Executive Director	30 April 2024
Ms. Wang Jie	Executive Director	30 April 2024
Ms. Zhang Panpan	Executive Director	16 September 2024
Ms. Gao Wenjuan	Independent non-executive Director	23 January 2024
Ms. Leung Hiu Man	Independent non-executive Director	30 April 2024
Mr. Wu Mingcong	Independent non-executive Director	9 September 2024
Ms. Peng Xiaoliu	Independent non-executive Director	9 September 2024

Notes:

1. Retired and re-elected at the AGM on 27 April 2022.
2. Retired and re-elected at the AGM on 28 June 2023.

Directors' Report

Independence Confirmation of the Independent Non-executive Directors

The Company has received the annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and as at the date of this annual report still considers them to be independent.

Biographies

The biographical details of Directors and senior management of the Company are set out in the section headed "Directors, Senior Management and Employees" of this annual report.

Directors' Remuneration

Details of the Directors' remuneration are set out in Note 16(a) to the consolidated financial statements of this annual report. The Directors' remuneration is determined with reference to their respective duties and responsibilities within the Company.

Directors' Service Contracts

Executive Directors

Each of the executive Directors has entered into a service contract with the Company.

Ms. Ren Wen has entered into a service contract with the Company for the period commencing from 20 March 2018 to the date of the 2021 AGM and was further renewed for a period commencing from 20 March 2021 to the date of the 2024 AGM.

Mr. Sheng Jie, who was appointed with effect from 2 January 2019, has entered into a service contract with the Company for a term of three years commencing from 2 January 2019 and was further renewed for a period of three years commencing from 2 January 2022 to 1 January 2025.

Each of Mr. Wong Man Keung and Ms. Ren Song has entered into a service contract with the Company for a period of three years from 23 January 2024.

Each of Mr. Chang Haisong and Ms. Wang Jie has entered into a service contract with the Company for a period of one year from 30 April 2024.

Ms. Zhang Panpan has entered into a service contract with the Company for a period of three years from 16 September 2024.

Ms. Zhang Jingjing has entered into a service contract with the Company for a period of one year from 30 April 2024, and was ceased on 15 September 2024.

Dr. Shen Wei has entered into a service contract with the Company for a period of three years commencing on 28 June 2023, and was ceased on 23 January 2024.

Ms. Hao Bin has entered into a service contract with the Company for a period of three years commencing on 1 June 2020, and was ceased on 23 January 2024.

Directors' Report

The remuneration of the executive Directors are as follows:

- (i) Ms. Ren Wen's emolument was adjusted to RMB15,000 plus HK\$101,000 per month since 1 December 2021;
- (ii) Mr. Sheng Jie's emolument was adjusted to RMB15,000 plus HK\$10,000 per month since 1 December 2021;
- (iii) Mr. Wong Man Keung's emolument is HK\$360,000 per year since 23 January 2024;
- (iv) Ms. Ren Song's emolument is HK\$300,000 per year since 23 January 2024;
- (v) Mr. Chang Haisong's emolument is HK\$360,000 per year since 30 April 2024;
- (vi) Ms. Wang Jie's emolument is HK\$360,000 per year since 30 April 2024;
- (vii) Ms. Zhang Panpan's emolument is HK\$360,000 per year since 15 September 2024;
- (viii) Ms. Zhang Jingjing did not receive a basic emolument from 30 April 2024 to 15 September 2024;
- (ix) Dr. Shen Wei's emolument is in the total sum of RMB180,000 plus HK\$612,000 per annum excluding discretionary bonuses, which is determined with reference to his duties and responsibilities within the Company and the performance and results of the Company from 28 June 2023 to 23 January 2024; and
- (x) Ms. Hao Bin's emolument and was adjusted to RMB15,000 plus HK\$10,000 per month from 1 December 2021 to 23 January 2024.

Independent Non-executive Directors

Each of the existing independent non-executive Directors has entered into an appointment contract with the Company.

Ms. Gao Wenjuan has entered into a service agreement for a period of three years commencing from 23 January 2024.

Ms. Leung Hiu Man has entered into an appointment contract with the Company for a term of one year commencing from 30 April 2024.

Each of Mr. Wu Mingcong and Ms. Peng Xiaoliu has entered into an appointment contract with the Company for a term of three years commencing from 9 September 2024.

Mr. Jin Guoqiang has entered into an appointment contract with the Company for a term of three years commencing February 2022, and was ceased on 9 September 2024.

Mr. Chen Zhijian has entered into an appointment contract with the Company for a term of three years commencing February 2024, and was ceased on 9 September 2024.

Mr. Lee Kin Fai has entered into a service agreement for a period of three years commencing from 23 January 2024, and was ceased on 30 April 2024.

Mr. Ip Kwok On Sammy has entered into an appointment contract with the Company for a term of three years commencing from 14 June 2019, and was ceased on 23 January 2024.

Directors' Report

Each of the independent non-executive Directors is entitled to subsidies. Their subsidies are currently as follows:

- (i) Mr. Chen Zhijian's subsidy was adjusted to HK\$10,000 per month since 1 May 2021 to 9 September 2024;
- (ii) Mr. Lee Kin Fai's subsidy was adjusted to HK\$20,000 per month since 23 January 2024 to 30 April 2024;
- (iii) Mr. Jin Guoqiang's subsidy was adjusted to HK\$10,000 per month since 1 May 2021 to 9 September 2024;
- (iv) Ms. Gao Wenjuan's subsidy was adjusted to HK\$20,000 per month since 23 January 2024;
- (v) Mr. Ip Kwok On Sammy's subsidy was adjusted to HK\$10,000 per month from 1 May 2021 to 23 January 2024;
and
- (vi) Ms. Leung Hiu Man's subsidy was adjusted to HK\$30,000 per month from 30 April 2024.

Directors' Rights to Purchase Shares or Debentures of the Company

Save for the share options held by the Directors, at no time during the year ended 31 December 2024 were rights to acquire benefits by means of the acquisition of Shares or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Directors' Interest in Transactions, Arrangements or Contracts of Significance

Save as disclosed in the subsection headed "Connected Transactions and Structured Contracts" below and Note 42 to the consolidated financial statements of this annual report, no transactions, arrangements or contracts of significance to which the Company, or any of its subsidiaries, was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, existed during the year ended 31 December 2024.

Directors' Interest in Competing Business

None of the Directors or any of their respective associates had any interest in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year ended 31 December 2024.

Change in Directors' Information

There is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2024 Interim Report.

Directors' Report

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 31 December 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>)	20,278,000 (L)	10.66%
	Interest of controlled corporation (<i>Note 2</i>)	8,776,100 (L)	4.61%

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

Notes:

1. These 20,278,000 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.
 2. Out of the 8,776,100 Shares, 6,497,100 Shares were held by Lucky Go Co., Ltd. and 2,279,000 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 31 December 2024, that is 190,294,200 ordinary shares of the Company.

Directors' Report

(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 31 December 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.

Directors' Report

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 31 December 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	20,278,000 (L) (Note 1)	10.66%
Credit Suisse Trust Limited	Trustee	20,278,000 (L) (Note 1)	10.66%
Brock Nominees Limited	Nominee	20,278,000 (L) (Note 1)	10.66%
Tenby Nominees Limited	Nominee	20,278,000 (L) (Note 1)	10.66%
Queen Media	Beneficial owner	20,278,000 (L) (Note 1)	10.66%
HKND Limited	Beneficial owner	40,000,000 (L) (Note 2)	21.02%
Mr. Wang Zhihan	Interest of controlled corporation	40,000,000 (L) (Note 2)	21.02%
ND MEDICAL TECHNOLOGY LIMITED	Beneficial owner	31,000,000 (L) (Note 3)	16.29%
Ms. WU Meizhen	Interest of controlled corporation	31,000,000 (L) (Note 3)	16.29%

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

Note:

- These 20,278,000 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 40,000,000 Shares were held by HKND Limited. The entire issued share capital of HKND Limited is held by Mr. Wang Zhihan.
- These 31,000,000 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 31 December 2024, that is 190,294,200 ordinary shares of the Company.

Save as disclosed above, as at 31 December 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.

Directors' Report

SHARE OPTION SCHEME

Background

The Company conditionally adopted a share option scheme (the “**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 2024 (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.

Directors' Report

(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 2024. 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 31 December 2024 and up to the date of this report, the Company has not adopted any share schemes (as defined under Chapter 17 of the Listing Rules).

Share options granted

Share options granted on 23 May 2014

The options to subscribe for a total of 1,210,000 Shares were granted under the 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 has become 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 year ended 31 December 2024, no option granted on 23 May 2014 has been exercised, cancelled, forfeited or lapsed. As at 31 December 2024, options to subscribe for a total of 215,000 Shares remained outstanding and were exercisable by the respective grantees immediately until 22 May 2024.

Share options granted on 29 May 2015

The options to subscribe for a total of 2,500,000 Shares were granted under the 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 has become exercisable on each of 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 grantees for the relevant years. For details, please refer to the announcement of the Company dated 29 May 2015.

For the year ended 31 December 2024, no option granted on 29 May 2015 has been exercised, cancelled, forfeited or lapsed. As at 31 December 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.

Directors' Report

Options granted during the year ended 31 December 2024

No option was granted by the Company during the year ended 31 December 2024.

Value of options granted

The estimated fair value of the options granted on 23 May 2014 and 29 May 2015 using the Black-Scholes pricing model were set out in Note 40 to the consolidated financial statements in this annual report.

Movement during the year under review

As at 1 January 2024, the number of Options available for grant under the scheme mandate of the Expired Share Option Scheme was 156,290,000. As at 31 December 2024, due to the expiration of the Expired Share Option Scheme, there was no Option available for grant under the Expired Share Option Scheme.

Particulars of the outstanding options under the Share Option Scheme at the beginning and at the end of the year ended 31 December 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	Granted	Exercised	Cancelled/ Forfeited/ Lapsed	Adjustment	Balance as at	Price per Share immediately before the date of grant	Price per Share on exercise date
				1 January 2024	during the period	during the period	during the period	(Note 3)	31 December 2024		
Mr. Song Hongfei	23 May 2014	HK\$3.92	From the date the exercise conditions are met ¹ to 22 May 2024	215,000	-Nil-	-Nil-	(215,000)	-	-	HK\$4.01	N/A ²
Ms. Hao Bin	29 May 2015	HK\$8.036	From the date the exercise conditions are met ¹ to 28 May 2025	150,000	-Nil-	-Nil-	-Nil-	(135,000)	15,000	HK\$7.95	N/A ²
Total				365,000	-Nil-	-Nil-	(215,000)	(135,000)	15,000		

Notes:

- Such share 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 – Share options granted" above.
- No share option had been exercised during the year ended 31 December 2024.
- The number of share options was adjusted upon the completion of share consolidation on 23 December 2024.

Directors' Report

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 during the year ended 31 December 2024.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, for the year ended 31 December 2024 and as at the Latest Practicable Date, the Company has maintained sufficient public float as required under the Listing Rules.

NON-COMPETITION UNDERTAKINGS AND CONTRACTS OF SIGNIFICANCE

As disclosed in the Prospectus, Ms. Ren Wen and Queen Media, the controlling shareholders of the Company, have undertaken to avoid being engaged in or taking part in the business which may compete with the principal business of the Company.

The Company's independent non-executive Directors have reviewed the compliance of the controlling shareholders with the deed of non-competition dated 24 June 2013 and are of the view that each of Ms. Ren Wen and Queen Media has complied with the above undertakings during the year ended 31 December 2024.

Save for the structured contracts described in the subsection headed "Connected Transactions and Structured Contracts" below, there were no contracts of significance between the Company, or any of its subsidiaries, and the controlling shareholders or any of their subsidiaries during the year ended 31 December 2024. There were also no contracts of significance for the provision of services to the Company, or any of its subsidiaries, by the controlling shareholders or any of their subsidiaries.

CONNECTED TRANSACTIONS AND STRUCTURED CONTRACTS

Background

As the business operation of Beijing Wisdom Media constitutes business activities which are subject to prohibition or restriction on foreign investment under the PRC laws (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, and thus the Group with effective control over Beijing Wisdom Media and, to the extent permitted by the PRC law and regulations, grant the right to the Group to acquire the equity interests in Beijing Wisdom Media upon the listing. The Structured Contracts were entered into on 24 June 2013 pursuant to which 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.

Directors' Report

Operating entities of the Group controlled through the Structured Contracts

During the year ended 31 December 2024, the following 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 in the PRC; and
- (ii) 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.

Registered owners of Beijing Wisdom Media

As at 31 December 2024, the registered shareholders of Beijing Wisdom Media are as follows:

Name of shareholder	Number of shares held	Shareholding percentage
Ren Wen (任文)	54,924,000	91.54%
Sheng Jie (盛杰)	5,076,000	8.46%
Total	60,000,000	100%

Major terms of the Structured Contracts

The Structured Contracts currently in force comprise five agreements namely: (i) the exclusive consulting and service agreement; (ii) the exclusive business operating agreement; (iii) the share pledge agreement; (iv) the exclusive option agreement; and (v) the powers of attorney, which were entered into between/among Beijing Wisdom Sports, Beijing Wisdom Media and/or the existing shareholders of Beijing Wisdom Media. Details of the respective salient terms of the five agreements are as follows:

- **Exclusive consulting and service agreement**

Beijing Wisdom Sports and Beijing Wisdom Media entered into an exclusive consulting and service agreement dated 24 June 2013, pursuant to which Beijing Wisdom Sports shall, on an exclusive basis, provide Beijing Wisdom Media with consulting and other related services. Pursuant to the agreement, Beijing Wisdom Sports shall, amongst other things, (i) form strategically co-operative relationship and share the clients' data with Beijing Wisdom Media and promote its business; (ii) provide marketing services and advisory services in respect of the television program production business and pro-actively seek opportunities for Beijing Wisdom Media in respect of the advertising business and sports-related business and submit joint bids with Beijing Wisdom Media for the provision of media services; (iii) provide staff training; (iv) provide the development and transfer of technology and advisory services in respect of the technology; (v) provide public relations services; (vi) provide market research, analysis and advisory services in respect of the PRC and overseas marketing communications industry; and (vii) provide mid-short term marketing development and marketing planning service.

Directors' Report

The service fee to which Beijing Wisdom Sports is entitled to receive under the agreement shall represent the total revenue of Beijing Wisdom Media, after deducting all operational costs and relevant applicable taxes.

The agreement has become effective on 24 June 2013 and shall continue to be in full force and effect until and unless it is terminated by Beijing Wisdom Sports by giving Beijing Wisdom Media a 30 days' prior written notice of termination. Beijing Wisdom Media shall have no right to terminate the agreement.

- ***Irrevocable power of attorney***

All of the shareholders of Beijing Wisdom Media executed an irrevocable power of attorney dated 24 June 2013, which enables the Company and the directors of the Company and their successors to exercise all the powers of the shareholders (including their successors and transferees) of Beijing Wisdom Media. Pursuant to the irrevocable power of attorney, the Company and the directors of the Company and their successors shall exercise rights of all of the shareholders of Beijing Wisdom Media including but not limited to right to propose a general meeting, rights of voting, sale or transfer of all or part of their interests in Beijing Wisdom Media, signing minutes and filing documents with relevant companies registry.

The Company has the power to designate the person as nominated by the executive directors of the Company or the board of directors of the Company to exercise the rights to the Company under the irrevocable power of attorney.

The irrevocable power of attorney has become effective on 24 June 2013 and shall continue to be in full force and effect until the termination of the exclusive business operating agreement.

- ***Exclusive business operating agreement***

Beijing Wisdom Sports, Beijing Wisdom Media and all of its shareholders (including their successors and transferees) entered into an exclusive business operating agreement dated 24 June 2013, pursuant to which Beijing Wisdom Media agreed, and all of the aforesaid shareholders agreed to cause Beijing Wisdom Media and its subsidiaries, not to enter into any transaction which might substantially affect Beijing Wisdom Media's assets, business, employees, rights, obligations or operations unless prior written approval of Beijing Wisdom Sports or its designated wholly-owned subsidiary of the Company have been obtained. Pursuant to the agreement, all of the shareholders of Beijing Wisdom Media agreed to, amongst other things, appoint candidate(s) nominated by Beijing Wisdom Sports as director(s) of Beijing Wisdom Media and transfer the bonus, distributable dividend, any other income or interest receivable by them at nil consideration to Beijing Wisdom Sports.

The agreement has become effective on 24 June 2013 and shall continue to be in full force and effect until and unless it is terminated by Beijing Wisdom Sports by giving all shareholders of Beijing Wisdom Media a 30 days' prior written notice of termination. Beijing Wisdom Media shall have no right to terminate the agreement.

- ***Exclusive option agreement***

Beijing Wisdom Sports, Beijing Wisdom Media and all of its shareholders (including their successors and transferees) entered into an exclusive option agreement dated 24 June 2013, pursuant to which all of the shareholders of Beijing Wisdom Media agreed to grant an irrevocable option to Beijing Wisdom Sports for it or its designated wholly-owned subsidiary of the Company to acquire all or any of their equity interests in Beijing Wisdom Media in compliance with the terms of the agreement.

Directors' Report

Pursuant to the agreement, Beijing Wisdom Media has undertaken to perform certain acts or refrain from performing certain other acts in relation to its business operation, carrying out of corporate actions and entry into transactions, unless it has obtained prior approval from Beijing Wisdom Sports or its designated wholly-owned subsidiary of the Company.

Pursuant to the agreement, all of the shareholders of Beijing Wisdom Media have also undertaken to, amongst other things, maintain all of their rights of equity interests in Beijing Wisdom Media and to sign such documents and take such actions as necessary or appropriate to preserve such rights.

The agreement has become effective on 24 June 2013 and shall continue to be in full force and effect until and unless it is terminated by Beijing Wisdom Sports by giving Beijing Wisdom Media and all of its shareholders a 30 days' prior written notice of termination. Neither of Beijing Wisdom Media nor any of its shareholders shall have any right to terminate the agreement.

- **Share pledge agreement**

Beijing Wisdom Sports and all of the shareholders (including their successors and transferees) of Beijing Wisdom Media entered into a share pledge agreement dated 24 June 2013, pursuant to which all of the shareholders of Beijing Wisdom Media agreed to pledge their equity interests in Beijing Wisdom Media to Beijing Wisdom Sports to secure the performance of all of the obligations of Beijing Wisdom Media and/or all of its shareholders under the aforesaid exclusive business operating agreement and exclusive consulting and service agreement.

Pursuant to the agreement, all of the shareholders of Beijing Wisdom Media have undertaken to Beijing Wisdom Sports, amongst other things, not to transfer the equity interests in Beijing Wisdom Media (save and except the transfer of shares to Beijing Wisdom Sports or its designated wholly-owned subsidiary of the Company), not to create or allow any guarantee or pledge to be created thereon that may affect the rights and interest of Beijing Wisdom Sports and to comply with all applicable PRC laws and regulations in relation to the share pledge.

Under the agreement, if the shareholders of Beijing Wisdom Media have defaulted on the terms of the agreement, Beijing Wisdom Sports may exercise its rights to acquire the equity interests in Beijing Wisdom Media in accordance with the terms of the agreement, unless all of the shareholders of Beijing Wisdom Media have cured such default or have taken remedial actions as necessary.

The agreement shall be in full force and effect until and unless it is terminated by Beijing Wisdom Sports by giving all of the shareholders of Beijing Wisdom Media a 30 days' prior written notice of termination. None of the shareholders of Beijing Wisdom Media shall have any right to terminate the agreement.

Reasons for using the Structured Contracts and the significance to the Group

The business operations of Beijing Wisdom Media involve the production of television programs and it currently holds a television program production licence. Such business is subject to foreign investment restrictions under the applicable PRC laws. As such, the Group cannot acquire the equity interest in Beijing Wisdom Media. Having regard to such foreign investment restrictions, the Structured Contracts were designed to provide Beijing Wisdom Sports and, thus the Group, with effective control over the financial and operational policies of Beijing Wisdom Media and (to the extent permitted by PRC laws and regulations) the right to acquire the equity interest in Beijing Wisdom Media.

Directors' Report

Revenue and assets subject to the Structured Contracts

The revenue, net profit and total assets subject to the Structured Contracts are set out as follows:

	Year ended/As at 31 December			
	2024		2023	
	(RMB'000)	% of total of the Group	(RMB'000)	% of total of the Group
Revenue subject to the Structured Contracts	0	0%	0	0%
Net loss subject to the Structured Contracts	(8,322)	15.8%	(13,633)	14.7%
Total assets subject to the Structured Contracts	301,853	52.4%	274,537	66.6%

As a net loss subject to the Structured Contracts of approximately RMB8,322,000 (2023: RMB13,633,000) was recognised for the year ended 31 December 2024, the service fee which Beijing Wisdom Sports is entitled to receive for the year ended 31 December 2024 was Nil (2023: Nil).

Risks associated with the Structured Contracts

The risks associated with the Structured Contracts were set out on pages 34 to 38 of the Prospectus and are highlighted as follows:

- if the PRC government finds that the agreements that establish the structure for operating the services of the Group in the PRC do not comply with PRC governmental restrictions on foreign investment in television program production, or if these regulations or the interpretation of existing regulations change in the future, the Group could be subject to severe penalties or be forced to relinquish its interests in those operations;
- the Group relies on contractual arrangements with Beijing Wisdom Media and its subsidiaries for its operations in the PRC, which may not be as effective in providing operational control as direct ownership;
- any failure by Beijing Wisdom Media and its subsidiaries or their respective shareholders to perform their obligations under their contractual arrangements with the Group would have a material adverse effect on the business and financial condition of the Group;
- contractual arrangements that subsidiaries of the Group have entered into with Beijing Wisdom Media may be subject to scrutiny by the PRC tax authorities and a finding that the Group or Beijing Wisdom Media and its subsidiaries owe additional taxes could substantially reduce the combined net income of the Group and the value of the investment by the Company's shareholders;
- the shareholders, directors and executive officers of Beijing Wisdom Media and its subsidiaries may have potential conflicts of interest with the Company, which may materially and adversely affect the business of the Group;

Directors' Report

- the Group may rely on dividends and other distributions on equity paid by the Group's PRC subsidiaries to fund any cash and financing requirements the Group may have. Any limitation on the ability of the PRC subsidiaries to pay dividends to the Group could have a material adverse effect on the Group's ability to conduct its business; and
- PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent the Group from using the proceeds of the global offering of the Company to make loans to the PRC subsidiaries and Beijing Wisdom Media and its subsidiaries or to make additional capital contributions to the PRC subsidiaries of the Group, which may materially and adversely affect the liquidity of the Group and the ability of the Group to fund and expand its business.

In light of the above risks associated with the Structured Contracts, the Group has adopted a set of procedures, systems and internal control measures to ensure the sound and effective operation of the Group and the implementation of the Structured Contracts. Such procedures, systems and internal control measures include (i) regular discussions (on a no less frequent than a quarterly basis) of matters relating to compliance and regulatory enquiries from governmental authorities, if any, by the board of directors of the Company at regular and extraordinary board meetings; (ii) regular report (on a no less frequent than a monthly basis) by relevant business units and operation divisions of the Group to the senior management of the Company in relation to the compliance and performance conditions under the Structured Contracts and other related matters; (iii) regular report by the senior management of the Company to the Board on any non-compliance issues; (iv) retaining legal adviser and/or other professional to assist the Group to deal with specific issues arising from the Structured Contracts, if so required; and (v) regular review on an annual basis by the independent non-executive directors of the Company on the compliance of the Structured Contracts and confirmation of the same being disclosed in the annual reports of the Company.

In addition, to address the risk of potential conflicts of interest of certain shareholders, directors and executive officers of Beijing Wisdom Media and its subsidiaries who are also directors of the Company, it has been provided for under the exclusive business operating agreement that all of the shareholders of Beijing Wisdom Media had agreed to give priority to, and not to cause any damage to, the interests of Beijing Wisdom Sports and the Company if there are any potential conflicts of interest amongst Beijing Wisdom Sports, the Company, Beijing Wisdom Media and its shareholders. Ms. Ren Wen, being the chairlady of the Company, has been appointed as the chairlady of the board of directors of Beijing Wisdom Media and has taken up the leading role in the governance of implementation of the financial and operating policies in respect of Beijing Wisdom Media in order to ensure that Beijing Wisdom Media will be managed and operated according to the Group's policies and the terms of the Structured Contracts.

Change of circumstances

There had been no material change in the arrangements under the Structured Contracts and/or the circumstances under which they were adopted. As of the date of this report, the foreign investment restrictions which gave rise to the arrangements under the Structured Contracts are still in existence.

Directors' Report

Opinion of the Directors

The Directors (including the independent non-executive Directors) consider that the Structured Contracts and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and are on normal commercial terms after arm's length negotiation, and consider that the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the shareholders as a whole.

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.

The independent non-executive Directors have reviewed the above connected transactions and confirmed that these continuing connected transactions have been entered into:

- (1) in the ordinary and usual course of business of the Company;
- (2) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favorable to the Company than those available to or provided from (as appropriate) independent third parties; and
- (3) in accordance with relevant agreements governing them that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The independent non-executive Directors also confirmed that since the Listing Date and up to 31 December 2024:

- (1) the continuing connected transactions under the Structured Contracts have been entered into in accordance with the relevant provisions of the Structured Contracts, so that the revenue generated by Beijing Wisdom Media has been mainly retained by the Group;
- (2) no dividends or other distributions have been made by Beijing Wisdom Media to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and
- (3) no new contract was entered into to renew or reproduce the framework of the Structured Contracts.

Directors' Report

Opinion of the Auditor of the Company

Infinity CPA Limited, the Company's auditor, was engaged to report on the Group's continuing connected transactions during the year ended 31 December 2024 in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The auditor has reported to the Board and confirmed that for the year ended 31 December 2024, nothing has come to their attention that causes them to believe that the continuing connected transactions set out above: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group; and (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

The Company has complied with the disclosure requirements, if any, under Chapter 14A of the Listing Rules in respect of the above connected transactions.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions of the Group undertaken in the normal course of business are provided under Note 42 to the consolidated financial statements of this annual report, and none of which constitutes a disclosable connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules.

CORPORATE GOVERNANCE

The principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 16 to 32 of this annual report.

ENVIRONMENTAL POLICIES AND SUSTAINABLE DEVELOPMENT

The environmental policies of the Group and its performance for the year ended 31 December 2024 are set out in the Environmental, Social and Governance Report on pages 33 to 61 of this annual report.

AUDITOR

Infinity CPA Limited has been appointed as the auditor of the Company with effect from 7 August 2024 subsequent to the resignation of Elite Partners CPA Limited. For further details regarding the change of auditor, please refer to the Company's announcement dated 7 August 2024. The consolidated financial statements of the Company for the year ended 31 December 2024 had been audited by Infinity CPA Limited.

Infinity CPA Limited shall retire at the forthcoming AGM and a resolution for the re-appointment of Infinity CPA Limited as auditor of the Company will be proposed at the AGM.

Directors' Report

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and with terms of reference in compliance with the code provisions of the CG Code for the purpose of reviewing the financial information, providing supervision on the financial reporting system, 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 annual 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 Audit Committee communicated with the external auditor of the Company to discuss the review process and accounting issues of the Company. The Audit Committee, together with the management of the Company, has reviewed the audited consolidated financial results of the Group for the year ended 31 December 2024 and considers that the results are in compliance with generally accepted accounting principles as well as the applicable laws and regulations.

TAX RELIEF AND PROFESSIONAL TAX ADVICE RECOMMENDED

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities. If any shareholder is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, it is advised to consult an expert.

CLOSURE OF REGISTER OF MEMBERS

The AGM of the Company is expected to be held on Wednesday, 25 June 2025. In order to determine the shareholders who will be qualified for attending and voting at the AGM, the register of members of the Company will be closed from Friday, 20 June 2025 to Wednesday, 25 June 2025, both days inclusive. To be eligible to attend and vote at the AGM, all completed transfer document(s) together with the relevant share certificate(s) must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 19 June 2025 for registration.

On behalf of the Board

Ren Wen

Co-Chairlady and Executive Director

Hong Kong, 15 April 2025

Directors, Senior Management and Employees

BIOGRAPHIES

Biographies of each member of the Board and senior management are set out below:

Executive Directors

Ms. Ren Wen (任文女士), also known as Ms. Ren Guozun (任國尊女士), aged 49, is the founder of the Group and is the chairlady of the Board. She founded Beijing Wisdom Media in 2007, and led the Company to its listing on the Main Board of the Stock Exchange in July 2013. Ms. Ren was appointed as the deputy chairlady of Chinese Sports Culture Promotion Federation (中國體育文化促進會) in 2014. Ms. Ren obtained a diploma in journalism from the Beijing Broadcasting Institute (北京廣播學院) (currently known as the Communication University of China (中國傳媒大學)) in January 2000. Ms. Ren is a director of Queen Media Co., Ltd., which has an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Sheng Jie (盛杰先生), aged 49, is one of the co-founders of the Group. He was previously appointed as an executive Director on 21 March 2012 and has also acted as the Company's joint company secretary and a member of the Remuneration Committee of the Board. He had resigned from his directorship in the Company on 26 August 2016 and left the Group in order to serve as the vice chairman of Shenzhen Zhimei Investment Co., Ltd. (深圳智美投資有限公司), a company held by the controlling shareholder of the Company. In July 2018, he re-joined the Group as a vice president of the Group and was subsequently appointed as an executive Director on 2 January 2019 and an authorised representative of the Company on 30 December 2019. Mr. Sheng has over 20 years of experience in the marketing communications industry, sports communications industry as well as the corporate finance and capital markets sector. Mr. Sheng obtained a bachelor's degree in English language from Shandong University in July 1998, a diploma in business management from the University of International Business and Economics in July 2009 and a master's degree in Business Administration from Peking University on 3 January 2020.

Mr. Wong Man Keung (黃文強先生), aged 57, is a member of the Institute of Certified Management Accountants of Australia. Mr. Wong has extensive experience in direct investment, commercial banking and manufacturing in the People's Republic of China. From November 2011 to January 2017, Mr. Wong was appointed as an executive director and chief executive officer of Green International Holdings Limited, whose shares are listed on main board of the Stock Exchange (stock code: 2700). From November 2017 to March 2020, Mr. Wong was appointed as an executive director of Lamtex Holdings Limited, whose shares were formerly listed on the main board of the Stock Exchange (stock code: 1041). From January 2024, Mr. Wong was appointed as an executive director of Golden Century International Holdings Group Limited, whose shares are listed on main board of the Stock Exchange (stock code: 91).

Ms. Ren Song (任松女士), aged 48, graduated with a bachelor's degree in economic management. Ms. Ren has extensive experience in organizing, promoting and operating of large scales events. In 1998, Ms. Ren served at NARI Group Corporation and was responsible for team training. Since then, Ms. Ren has been working in the management role and has outstanding performance in relation to human resource management, administration, marketing, operations, financing and government relations. Ms. Ren has also won various industry awards for her companies over the years. Ms. Ren has rich experience in organizing and promoting large-scale events. In recent years, Ms. Ren has started to collaborate with many world organizations, such as the United Nations Industrial Development Organization, the World Health Organization, the World Wildlife Fund, etc. to co-organize large-scale events and is fully responsible for the preparation of the preparation, operation and promotion work.

Mr. Chang Haisong (常海松先生), aged 43, completed his EMBA programme at Cheung Kong Graduate School of Business in September 2018. Mr. Chang is highly knowledgeable in finance, securities trading, equity investment, and mergers and acquisitions with over ten years of experience.

Directors, Senior Management and Employees

Ms. Wang Jie (王潔女士), aged 45, holds a bachelor's degree in administrative management from the East China University of Science and Technology's Online Education College. With extensive experience in educational management and human resources, Ms. Wang excels in organizational planning, talent development, and team management.

Ms. Zhang Panpan (張盼盼女士), aged 34, graduated with a Advanced Diploma in Tourism Management. Ms. Zhang has extensive working experience in project management and education. She worked as Project General Manager at Hong Kong Economic (Shenzhen) Education Technology Co., Ltd from 2023 to 2024, where she was responsible for collaborating with domestic and international golf clubs, organizing golf competitions, and establishing strategic partnerships with several well-known golf courses and golf equipment distributors to provide customers with high-quality services in major cities in China. From 2022 to 2023, she served as Assistant Project General Manager at Gangxin (Shenzhen) Education Consulting Co., Ltd, primarily responsible for the recruitment, maintenance, and management of golf club members. From 2015 to 2022, she worked as Assistant Project General Manager at Henan Hengnian Education Consulting Co., Ltd., where she was responsible for the recruitment and delivery of courses for the Business School's Entrepreneur Program. Additionally, she worked as Assistant to the Chairman at Henan Oak Real Estate Co., Ltd. from 2014 to 2015, where she assisted the chairman in facilitating meetings, handling documentation, and ensuring smooth business operations.

Independent Non-executive Directors

Ms. Gao Wenjuan (高文娟女士), aged 37, graduated from Huazhong University of Science and Technology with a bachelor's degree in journalism. Ms. Gao has extensive experience in auditing, accounting and consulting. Since 2010, Ms. Gao has started working in finance, taxation and auditing practices. Ms. Gao has extensive financial knowledge given her management experience in various well-known domestic consulting and management companies of which she is mainly responsible for auditing of Hong Kong enterprises. Her rich experience in the auditing requirements of both mainland and Hong Kong can provide useful consulting advice to the Company.

Ms. Leung Hiu Man (梁曉文女士), aged 38, graduated from the University of Gloucestershire in 2013 with a BA (Hons) degree in Accounting and Financial Management studies. She has over 10 years of accounting work experience.

Mr. Wu Mingcong (吳明聰先生), aged 38, graduated from Kun Chi Vocational School in 2004 and received the "National Informatization Senior Software Engineer" certification through professional training in 2011. Mr. Wu is currently the Chief Technology Officer at Everbright Zhongxing Investment Fund Management (Beijing) Co., Ltd. and is responsible for the company's technology strategy and its implementation. He served as Chief Technology Officer at a startup company from 2019 to 2022 and he was responsible for formulating the overall technology strategy to drive innovation and digital transformation. He also focused on identifying industry trends and actively participated in strategic decision-making. From 2016 to 2019, he worked as Technical Director at 98x Securities Investment Consulting (Beijing) Co., Ltd., where he was responsible for building and managing a data aggregation platform and leading the development of multi-platform applications to enhance user experience and brand impact.

Directors, Senior Management and Employees

Ms. Peng Xiaoliu (彭小留女士), aged 32, obtained a bachelor's degree in arts from Shenzhen University in 2015. She is a professional with nearly 8 years of experience in financial media and capital market information. She is currently the Chief Content Officer at Jiangsu Damo Information Industry Co., Ltd. and is responsible for writing and editing various types of materials and documents regarding the latest developments in the financial market, trusts, securities, asset management, mergers and acquisitions, and fintech. She is also involved in formulating and executing content marketing strategies to enhance brand awareness and participates in the formulation and execution of group strategies, conducting in-depth research on cutting-edge fields such as fintech, life sciences, and artificial intelligence. She cultivates an international and forward-looking market perspective and provides feasible suggestions for the company's brand building and strategic development. From 2016 to 2019, she was a financial editor specializing in securities analysis, primarily responsible for writing original financial analysis articles and reporting on-site news during the announcement conferences of publicly listed companies.

Senior Management

Ms. Ren Wen (任文女士), our co-chairlady and executive Director. For Ms. Ren Wen's biography, please refer to the subsection headed "Executive Directors" above.

Mr. Wong Man Keung (黃文強先生), our co-chairman and executive Director. For Mr. Wong's biography, please refer to the subsection headed "Executive Directors" above.

Ms. Ren Song (任松女士), our co-chairlady and executive Director. For Ms. Ren Song's biography, please refer to the subsection headed "Executive Directors" above.

Mr. Sheng Jie (盛杰先生), our vice chairman and executive Director. For Mr. Sheng's biography, please refer to the subsection headed "Executive Directors" above.

Mr. Chang Haisong (常海松先生), our executive Director. For Mr. Chang's biography, please refer to the subsection headed "Executive Directors" above.

Ms. Wang Jie (王潔女士), our executive Director. For Ms. Wang's biography, please refer to the subsection headed "Executive Directors" above.

Ms. Zhang Panpan (張盼盼女士), our executive Director. For Ms. Zhang's biography, please refer to the subsection headed "Executive Directors" above.

Company Secretary

Mr. Wong Ka Sing (黃家昇先生), our company secretary appointed by the board with effect from 31 July 2024. Mr. Wong, graduated with a degree of Master in Finance from University of Hong Kong and a degree of Bachelor of Business Administration in Accountancy from City University of Hong Kong. Mr. Wong is currently a member of the Hong Kong Institute of Certified Public Accountants and is also a licensed person registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") to carry out Type 6 (advising on corporate finance) regulated activity. He has extensive experience in the areas of accounting, auditing and corporate finance. He is currently (i) the executive director and the responsible officer of First Global Corporate Finance Co., Limited, a licensed corporation registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity, since March 2025; (ii) the joint company secretary and authorised representative of Diwang Industrial Holdings Limited (Stock code: 1950); and (iii) the company secretary and authorised representative of King International Investment Limited (stock code: 928).

Directors, Senior Management and Employees

EMPLOYEES

As at 31 December 2024, the Group had 28 employees in total (31 December 2023: 18).

The Group implements a remuneration policy that is competitive in the industry, and pays commissions and discretionary bonus 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 year ended 31 December 2024 amounted to RMB4.55 million (for the year ended 31 December 2023: RMB18.8 million). Remuneration and bonus for employees are based on their qualification, experience, job nature, performance and market condition.

The remuneration package of the employees includes salary, bonus and other cash benefits and benefits-in-kind. As required by PRC regulations, the Company participates in various employee benefits plans that are organized by local governments, including housing, pension, medical and unemployment benefit plans, and makes contributions to the employee benefits plans at specified percentages of the salaries, bonuses and certain allowances of the employees.

In accordance with the corporate development strategies along with the practical business needs, the Group has provided various training programs to its staff according to 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. The Group also selects potential management staff to receive advance trainings in domestic leading business schools regularly, aiming at enhancing their all-round capability.

Directors and qualified employees of the Company may be granted share options to subscribe for shares in the Company in accordance with the terms and conditions of the Share Option Scheme. As at 31 December 2024, the Company has granted certain share options under the Share Option Scheme. For further details, please refer to the subsection headed "Share Option Scheme" in the Directors' Report of this annual report.

Independent Auditor's Report



Infinity CPA Limited

Room 1501, 15/F., Olympia Plaza

255 King's Road, North Point, Hong Kong

TO THE SHAREHOLDERS OF CHINA FRONTIER TECHNOLOGY GROUP

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Frontier Technology Group (formerly known as “**Wisdom Sports Group**”) (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 93 to 175, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of other receivables

Independent Auditor's Report

KEY AUDIT MATTERS (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment of other receivables</p> <p>We identified the impairment of other receivables as a key audit matter due to the significant management estimation and judgement required in determining the expected credit losses.</p> <p>The Company's disclosures about other receivables are included in notes 5, 6(c), 29 to the consolidated financial statements.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> – Obtaining an understanding of the design and implementation of the Group's internal control and assessment process of the ECL allowances of other receivables; – Obtaining an understanding of process and internal controls of estimating the ECL allowance for other receivables by the management of the Group; – Assessing the reasonableness and appropriateness of the management's judgement on staging criteria for determining if a significant increase in credit risk has occurred or the receivable is credit-impaired as required by HKFRS 9; – Evaluating the external valuer's independence, competence, capabilities and objectivity; – Reviewing the appropriateness of the valuation methodology, approach and basis of calculation prepared by management; – Testing the mathematical accuracy of the ECL calculation and checking the information included in the calculation; – Reviewing the ECL calculation that was prepared by management assisted by the external expert engaged by the Group, and involved our valuation expert to assist us in evaluating the Group's estimation methodology of ECL and check the parameters to external available data sources; – Assessing the adequacy of the Group's disclosures about the ECL in the consolidated financial statements.

Independent Auditor's Report

OTHER MATTER

The consolidated financial statements for the year ended 31 December 2023 were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on 28 March 2024.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Infinity CPA Limited

Certified Public Accountants

Chan Kin Ming

Practising certificate number P07802

Hong Kong, 15 April 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
Revenue	8	78,066	32,243
Cost of services		(67,929)	(33,083)
Gross profit/(loss)		10,137	(840)
Other income	9	4,041	16,345
Other gain or loss	10	3,092	(468)
Net provision of impairment losses on trade receivables		(3,451)	–
Net provision of impairment losses on other receivables		(19,491)	(43,570)
Net provision of impairment losses on interests in associates		–	(96)
Selling and distribution expenses		(4,322)	(7,109)
General and administrative expenses		(34,670)	(44,240)
Loss from operations		(44,664)	(79,978)
Finance costs	11	(481)	(63)
Share of results of associates		(415)	(1,130)
Loss before tax	14	(45,560)	(81,171)
Income tax expense	13	(7,053)	(6,000)
Loss for the year		(52,613)	(87,171)
Attributable to:			
Owners of the Company		(52,582)	(87,178)
Non-controlling interests		(31)	7
		(52,613)	(87,171)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
Other comprehensive expense			
<i>Items 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)		(3,170)	(6,067)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,172)	381
Other comprehensive expense for the year, net of tax		(4,342)	(5,686)
Total comprehensive expense for the year		(56,955)	(92,857)
Attributable to:			
Owners of the Company		(56,924)	(92,864)
Non-controlling interests		(31)	7
		(56,955)	(92,857)
Loss per share attributable to owners of the Company	19		Restated
Basic and diluted		RMB(0.28)	RMB(0.55)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	20	724	–
Right-of-use assets	22	1,020	–
Investment properties	21	38,975	38,013
Financial assets at fair value through other comprehensive income	24	53,112	56,282
Other receivables	29	–	50,000
Interests in associates	25	4,235	4,650
Deferred tax assets	35	–	6,720
Total non-current assets		98,066	155,665
Current assets			
Inventories	26	–	997
Financial assets at fair value through profit or loss	27	6,166	6,750
Trade receivables	28	48,858	4,859
Other receivables	29	5,068	52,479
Prepayments and other current assets	30	6,766	17,876
Cash and bank balance	31	246,473	173,732
Total current assets		313,331	256,693
TOTAL ASSETS		411,397	412,358
EQUITY AND LIABILITIES			
Share capital	32	3,011	2,454
Reserves	34	349,164	366,818
Equity attributable to owners of the Company		352,175	369,272
Non-controlling interests		(704)	(673)
TOTAL EQUITY		351,471	368,599

Consolidated Statement of Financial Position

At 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
LIABILITIES			
Current liabilities			
Trade payables	37	4,593	11,810
Other payables and accrued expenses	38	30,832	3,618
Lease liabilities	36	1,037	–
Contract liabilities		927	927
Income tax payables		15,898	20,794
Total current liabilities		53,287	37,149
Non-current liability			
Bank borrowing	39	6,639	6,610
Total non-current liability		6,639	6,610
TOTAL LIABILITIES		59,926	43,759
TOTAL EQUITY AND LIABILITIES		411,397	412,358
NET CURRENT ASSETS		260,044	219,544

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 15 April 2025 and are signed on its behalf by:

Ren Wen
Director

Sheng Jie
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes In Equity

For the year ended 31 December 2024

	Attributable to owners of the Company										Non-controlling interests RMB'000	Total equity RMB'000 (note 34)
	Share capital RMB'000 (note 33)	Share premium RMB'000 (note 34 (b)(i))	Share-based payments reserve RMB'000 (note 34 (b)(ii))	Statutory reserve RMB'000 (note 34 (b)(iii))	Other reserve RMB'000 (note 34 (b)(iv))	Exchange reserve RMB'000 (note 34 (b)(vi))	Fair value reserve (non-recycling) RMB'000 (note 34 (b)(v))	Investment properties reserve RMB'000 (note 34 (b)(viii))	Retained profits RMB'000	Total RMB'000		
At 1 January 2023	2,454	54,245	674	136,741	81,902	(433)	10,474	6,967	168,427	461,451	(680)	460,771
Loss for the year	-	-	-	-	-	-	-	-	(87,178)	(87,178)	7	(87,171)
Other comprehensive expense for the year												
- Financial assets at fair value through other comprehensive income - net movement in fair value reserve (non-recycling)	-	-	-	-	-	-	(6,067)	-	-	(6,067)	-	(6,067)
- Exchange differences on translation from functional currency to presentation currency	-	-	-	-	-	381	-	-	-	381	-	381
Total comprehensive expense for the year	-	-	-	-	-	381	(6,067)	-	(87,178)	(92,864)	7	(92,857)
Disposal of investment properties	-	-	-	-	-	-	-	(6,967)	6,967	-	-	-
Reversal of statutory reserve appropriation upon deregistration of subsidiaries	-	-	-	(580)	-	-	-	-	580	-	-	-
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	-	685	685	-	685
At 31 December 2023	2,454	54,245	674	136,161	81,902	(52)	4,407	-	89,481	369,272	(673)	368,599
At 1 January 2024	2,454	54,245	674	136,161	81,902	(52)	4,407	-	89,481	369,272	(673)	368,599
Loss for the year	-	-	-	-	-	-	-	-	(52,582)	(52,582)	(31)	(52,613)
Other comprehensive expense for the year												
- Financial assets at fair value through other comprehensive income - net movement in fair value reserve (non-recycling)	-	-	-	-	-	-	(3,170)	-	-	(3,170)	-	(3,170)
- Exchange differences on translation from functional currency to presentation currency	-	-	-	-	-	(1,172)	-	-	-	(1,172)	-	(1,172)
Total comprehensive expense for the year	-	-	-	-	-	(1,172)	(3,170)	-	(52,582)	(56,924)	(31)	(56,955)
Issue of shares	557	39,270	-	-	-	-	-	-	-	39,827	-	39,827
Lapse of share options	-	-	(401)	-	-	-	-	-	401	-	-	-
At 31 December 2024	3,011	93,515	273	136,161	81,902	(1,224)	1,237	-	37,300	352,175	(704)	351,471

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(45,560)	(81,171)
Adjustments for:		
Amortisation of intangible assets	–	836
Depreciation of property, plant and equipment	254	11,849
Depreciation of right-of-use-assets	718	–
Impairment loss on property, plant and equipment	–	16,262
Impairment loss on intangible assets	–	832
Finance costs	481	63
Gain on disposals of property, plant and equipment	(323)	(13,561)
Gain on disposals of investment properties	–	(1,027)
Allowance for impairment of trade receivables	3,451	–
Allowance for impairment of other receivables	19,491	43,570
Fair value changes on investment properties	(803)	4,235
Fair value changes on financial assets at fair value through profit or loss	(894)	326
Investment income from treasury products	–	(1,393)
Interest income from loans to companies	–	(2,306)
Interest income from short-term bank deposits	–	(7,357)
Dividend income from a financial asset at fair value through other comprehensive income	–	(2,989)
Share of results of associates	415	1,130
Impairment loss on interest in associates	–	96
Exchange gains	(572)	(6,832)
Operating loss before working capital changes	(23,342)	(37,437)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Decrease in inventories	997	1,150
(Increase)/decrease in trade receivables	(47,450)	462
Decrease in prepayments and other current assets	11,110	2,329
(Decrease)/increase in financial assets at fair value through profit or loss	–	(1,393)
(Decrease)/increase in trade payables	(7,217)	7,026
Increase/(decrease) in other payables and accrued expenses	27,214	(4,657)
Decrease in contract liabilities	–	(1,200)
Cash used in operations	(38,688)	(32,197)
Income tax paid	(5,229)	(5,519)
Net cash used in operating activities	(43,917)	(37,716)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income from treasury products	–	1,393
Interest income from loans to companies	–	2,306
Interest income from short-term bank deposits	–	4,168
Decrease in other receivables	(1,631)	(806)
Decrease in security trading account's balances	–	3,160
Purchases of property, plant and equipment	(983)	(884)
Purchase of treasury products	(1,493)	(291,334)
Proceed from disposal of unlisted equity securities	2,878	–
Proceeds from disposal of treasury products	862	298,813
Proceed from disposal of property, plant and equipment	323	20,723
Proceed from disposal of investment properties	–	12,167
Purchase of investment properties	–	(37,058)
Dividend income received from a financial asset at fair value through other comprehensive income	–	2,989
Increase in amount due from a controlling shareholder	–	(2,836)
Increase in amounts due from directors	–	(493)
Repayment from loans from companies	79,551	1,029
Repayment from redemption receivable from fund investment	–	14,500
Increase in bank deposits with a maturity of more than three months	–	(84,536)
Net cash from/(used in) investing activities	79,507	(58,222)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of new ordinary shares	39,827	–
Proceeds from bank borrowing	–	6,435
Interest paid	(481)	(63)
Repayment of lease liabilities	(702)	–
Net cash from financing activities	38,644	6,372
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	74,234	(89,566)
Effect of foreign exchange rate changes	(1,493)	6,325
CASH AND CASH EQUIVALENTS AT 1 JANUARY	173,732	172,437
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	246,473	89,196
Bank deposits with a maturity of more than three months	–	84,536
Cash and bank balances	246,473	173,732

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

China Frontier Technology 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**”). In the opinion of the directors of the Company, the Company has no immediate and ultimate holding company or ultimate controlling party as at 31 December 2024. 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 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”.

The Company and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the provision of events operation and marketing services, sports services and trading business.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”), and HK (IFRIC) Interpretations, HK Interpretations and HK (SIC) Interpretations (collectively referred to as “**Interpretations**”), issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current year of the Group. Note 3 to the consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior years reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendment to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

Notes to the Consolidated Financial Statements

3. APPLICATION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(Continued)

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year (Continued)

The application of the amendments to HKFRS Accounting Standards 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.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

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	Contract Referencing Nature-dependent Electricity ²
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual/reporting periods beginning on or after 1 January 2025

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

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

⁴ No mandatory effective date yet determined but available for adoption

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards will be effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

Notes to the Consolidated Financial Statements

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

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The material accounting policy information applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are entities, including structured entities, over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary; and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Consolidation (Continued)

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale).

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate; and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the Company's presentation and functional currency. The Directors consider that choosing RMB as the presentation currency best suits the needs of the shareholders and investors.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment, including buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

If a property becomes an investment property because its use has changed as evidenced by end of owner occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant property revaluation reserve will be transferred directly to retained profits.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	4.45% – 5%
Leasehold improvements	Over the relevant lease terms
Furniture, fixtures and equipment	20% – 33.3%
Motor vehicles	20% – 25%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investment properties

Investment properties are buildings which are owned to earn rental income and/or for capital appreciation. Investment properties are measured initially at its cost including all direct costs attributable to the properties. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Rental income from investment properties are accounted for as other income to the consolidated financial statements.

Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) *The Group as a lessee*

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 Financial instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

(ii) *The Group as a lessor*

When the Group acts as a lessor, a lease is classified as an operating lease if it does not transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Costs necessary to make the sale include incremental costs directly attributable to the sale and nonincremental costs which the Group must incur to make the sale.

Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such case, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Recognition and derecognition of financial instruments (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gain or loss' line item (note 10) as part of the net foreign exchange gains/(losses);
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through other comprehensive income/revaluation reserve.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gain or loss' line item in profit or loss (note 10) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;
- fair value through other comprehensive income – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or
- fair value through profit or loss, if the investment does not meet the criteria for being measured at amortised cost or fair value through other comprehensive income (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as fair value through profit or loss unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at fair value through other comprehensive income (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at fair value through profit or loss or fair value through other comprehensive income, are recognised in profit or loss as other income.

Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand, demand deposits with banks, and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(i) *Events Operation and Marketing*

Revenue from Events Operation and Marketing is mainly derived from marketing services in conjunction with sports-related competitions, including mainly corporate sponsorship income. The Group recognised revenue upon the completion of the events when all services have been provided.

(ii) *Sports Services*

Revenue from Sports Services is mainly derived from providing services to government, marathon runners and media companies in conjunction with sports-related competitions, including mainly live broadcasting and program production income, individual consumption income, and rental income from equipment. Except for rental income from equipment under operating leases to be recognised over the periods of sports-related competitions, the Group recognised all other income upon the completion of the events when all services have been provided.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue and other income (Continued)

(iii) Trading business

Revenue from trading of cigar is mainly derived from the net invoiced value of goods sold, after allowances for returns and trade discounts. The Group recognised revenue at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based compensation reserve.

When share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to retained earnings.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

Income tax represents the sum of the current tax and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group firstly determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, the provisions for decommissioning and restoration and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Impairment of property, plant and equipment and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

In addition, the Group assesses whether there is an indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of property, plant and equipment and intangible assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Impairment of financial assets

The Group recognises allowances for impairment for ECL on trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables assessed individually. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk for balances categorised under "Stage 2" since initial recognition. However, if the credit risk on other receivables has not increased significantly since initial recognition, the Group categorises these balances under "Stage 1" and measures the allowance for impairment for other receivables at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instruments. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; or
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Credit-impaired financial assets

A financial asset is credit-impaired and categorised under “Stage 3” when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred and the Group recognises lifetime ECL accordingly. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulties of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty’s financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment loss or reversal of an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account.

Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Notes to the Consolidated Financial Statements

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies

In preparing the financial statement of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive (expense)/income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive (expense)/income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Notes to the Consolidated Financial Statements

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

(a) Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(i) *Structured contracts*

On 24 June 2013, Beijing Wisdom Sports Industry Co., Ltd. (“**Beijing Wisdom Sports**”), a wholly-owned subsidiary of the Company, entered into a series of contractual arrangements with Beijing Wisdom Media Holding Co., Ltd. (“**Beijing Wisdom Media**”) and its direct shareholders, comprising the exclusive consulting and service agreement, irrevocable power of attorney, exclusive business operating agreement, exclusive option agreement and share pledge agreement (collectively the “**Structured Contracts**”).

The arrangements of the Structured Contracts enable Beijing Wisdom Sports to exercise effective control over Beijing Wisdom Media and obtain substantially all residual economic benefits of Beijing Wisdom Media and its subsidiaries.

Beijing Wisdom Media effectively became an indirect subsidiary of the Company and the Group consolidated the financial results of Beijing Wisdom Media and its subsidiaries.

Management has consulted with its PRC legal counsel in assessing Beijing Wisdom Sports’ ability to control Beijing Wisdom Media under PRC laws and regulations. Any changes in PRC laws, rules and regulations that affect Beijing Wisdom Sports’ ability to control Beijing Wisdom Media might preclude the Group from consolidating Beijing Wisdom Media and its subsidiaries in the future.

(ii) *Assessment of significant increase in credit risk and credit impairment of financial assets*

As mentioned in note 4 to the consolidated financial statements, ECL is measured as an allowance for impairment equal to 12-month ECL for Stage 1 financial assets, or lifetime ECL for Stage 2 or Stage 3 financial assets. A financial asset is moved to Stage 2 when its credit risk has increased significantly since initial recognition but is not assessed to be credit-impaired. A financial asset is then moved to Stage 3 when it is credit-impaired. In assessing whether the credit risk of a financial asset has significantly increased or whether a financial asset is credit-impaired, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Notes to the Consolidated Financial Statements

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of trade receivable and other receivables

The management estimates the amount of impairment loss for ECL on trade receivable and other receivables based on the credit risk of trade receivable, and other receivables. The amount of the impairment loss of trade receivables, and other receivable based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

Details of the impairment of trade receivables and other receivables are disclosed in Note 6(c), 29 and 30.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk mainly relating to listed equity securities of financial assets at fair value through profit or loss, cash held at security trading accounts, other receivable and bank borrowing denominated in Hong Kong dollars, and cash and bank balance denominated in Hong Kong dollars, United States dollars and British pound sterling but presented in the functional currency of the company of RMB by the Group. 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.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Hong Kong dollars ("HKD")	246,815	2,633	465	—
United States dollars ("USD")	50,617	66,935	1	—
British pound sterling ("GBP")	26,694	84,577	—	—

Notes to the Consolidated Financial Statements

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

The table below summarizes the changes in the Group's consolidated loss after tax and total equity in response to reasonably possible changes in the foreign exchange rate of Hong Kong dollars, United States dollars and British pound sterling referred from the trend in foreign exchange rate of Hong Kong dollars, United States dollars and British pound sterling in the corresponding reporting period, to which the Group has significant exposure to the foreign currency risk at the end of the reporting period, with all other variables constant.

	Hypothetical movement in foreign exchange rate	Positive/(negative) effect on consolidated loss after tax and total equity RMB'000
31 December 2024		
– HKD	5%	12,316
– USD	5%	2,531
– GBP	5%	1,335
31 December 2023		
– HKD	5%	109
– USD	5%	2,750
– GBP	5%	3,236

(b) Price risk

The Group is exposed to equity price risk mainly through its investment in listed equity securities of financial assets at fair value through profit or loss. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles.

For sensitivity analysis, if equity prices had been 10% higher/lower (2023: 10%), loss after tax and total comprehensive income for the year ended 31 December 2024 would decrease/increase by approximately RMB339,000 (2023: RMB366,000).

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating and investing activities (primarily trade receivables and other receivables) and from its financing activities, including deposits with banks. The Group's exposure to credit risk arising from cash and bank balance is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Notes to the Consolidated Financial Statements

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Credit risk and impairment assessment

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	The counterparty has amounts past-due but is continuously settling after due date and with continuous business transactions with the Group	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources while the counterparty is with continuous business transactions with the Group	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are usually due within 180 days from the date of billing. Debtors with balances past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures allowance for impairment of trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the allowance for impairment of trade receivables based on historical credit loss experience is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

	2024		
	Expected loss rate	Gross carrying amount	Allowance for impairment of trade receivables
	%	RMB'000	RMB'000
Within 1 month	—	—	—
1 to 3 months	—	48,858	—
4 to 6 months	—	—	—
7 to 12 months	—	—	—
1 to 2 years	—	—	—
Over 2 years	100%	16,081	16,081
		64,939	16,081

Notes to the Consolidated Financial Statements

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2023:

		2023	
	Expected loss rate	Gross carrying amount	Allowance for impairment of trade receivables
	%	RMB'000	RMB'000
Within 1 month	–	2,390	–
1 to 3 months	–	–	–
4 to 6 months	–	–	–
7 to 12 months	–	132	–
1 to 2 years	–	1,464	–
Over 2 years	94%	13,503	12,630
		17,489	12,630

Expected loss rates are based on actual loss experience over the last 2 half-year periods. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the allowance for impairment of trade receivables during the years are as follows:

	2024	2023
	RMB'000	RMB'000
At 1 January	12,630	12,630
Impairment recognised	3,451	–
At 31 December	16,081	12,630

Notes to the Consolidated Financial Statements

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Other receivables

The allowance for impairment of other receivables as at 31 December 2024 and 2023 was determined as follows:

As at 31 December 2024

Receivables	Expected credit loss	Basis for recognition of expected credit loss provision	Estimated gross amount at default RMB'000	Carrying amount (net of impairment provision) RMB'000
Other receivables:				
– Amount due from a controlling shareholder	0.96%	12 months expected credit losses	3,448	3,415
– Others	0%	12 months expected credit losses	906	906

As at 31 December 2023

Receivables	Expected credit loss	Basis for recognition of expected credit loss provision	Estimated gross amount at default RMB'000	Carrying amount (net of impairment provision) RMB'000
Other receivables:				
– Earnest money paid for potential equity investment	17.32%	Lifetime expected credit losses	5,000	4,134
– Loans to companies	0%	12 months expected credit losses	70,771	70,771
– Amount due from a controlling shareholder	0.96%	12 months expected credit losses	3,448	3,415
– Others	0%	12 months expected credit losses	6,198	6,198

Apart from the above expected credit losses, certain balances included in other receivables, amounted to approximately RMB87,105,000 (2023: RMB78,845,000) were credit-impaired, due to the financial difficulties of the respective counterparties identified by the Group.

The allowance for impairment of other receivables was provided using the “three-stage” approach by referring to changes in credit quality since the initial recognition of other receivables as mentioned in note 4 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Other receivables (Continued)

Movements in the allowance for impairment of other receivables during the year are as follows:

	2024			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
At 1 January	33	866	78,845	79,744
Impairment loss recognised, net	–	–	19,491	19,491
Written off	–	–	(12,097)	(12,097)
Transfer to stage 3	–	(866)	866	–
At 31 December	33	–	87,105	87,138
Gross amount	4,354	–	87,852	92,206

	2023			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
At 1 January	3,449	24,917	7,808	36,174
Impairment loss recognised, net	6,558	3,820	33,192	43,570
Transfer to stage 3	(9,974)	(27,871)	37,845	–
At 31 December	33	866	78,845	79,744
Gross amount	80,452	5,000	96,771	182,223

For the year ended 31 December 2024, the Group appointed Libra Appraisal Limited (2023: Avista Business Consulting (Beijing) Co., Ltd.), an independent qualified valuer, to assist the management on carrying out relevant assessment works.

Significant amount of the allowance for impairment of other receivables balance categorised under “Stage 3” are disclosed in note 29(a) to the consolidated financial statements. The allowance for impairment of other receivable balances categorised under “Stage 2” is due to actual or expected significant deterioration in the operating results of debtors during the year ended 31 December 2024. Except for these, the remaining other receivables balances are considered to have low credit risk, and the allowance for impairment recognised during the years was therefore limited to 12-month expected losses. The Group’s management considers these balances to be of low credit risk as they have a low risk of default and the counterparties have a strong capacity to meet its contractual cash flow obligations in the near term.

Notes to the Consolidated Financial Statements

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	Within 1 year or on demand RMB'000	Contractual undiscounted cash flows Between 1 and 2 years RMB'000	Between 2 to 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At 31 December 2024					
Trade payables	4,593	–	–	4,593	4,593
Other payables	30,832	–	–	30,832	30,832
Bank borrowing	431	431	7,321	8,183	6,639
Lease liabilities	1,070	–	–	1,070	1,037
	36,926	431	7,321	44,678	43,101
At 31 December 2023					
Trade payables	11,810	–	–	11,810	11,810
Other payables	3,618	–	–	3,618	3,618
Bank borrowing	429	429	7,717	8,575	6,610
	15,857	429	7,717	24,003	22,038

(e) Categories of financial instruments at 31 December

	2024 RMB'000	2023 RMB'000
Financial assets:		
Financial assets at fair value through other comprehensive income	53,112	56,282
Financial assets at fair value through profit or loss	6,166	6,750
Financial assets measured at amortised cost	300,410	281,070
Financial liabilities:		
Financial liabilities measured at amortised cost	43,101	22,038

Notes to the Consolidated Financial Statements

6. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair values

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

7. FAIR VALUE MEASUREMENTS

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. |

During the years ended 31 December 2024 and 2023, there was no transfer between Level 2 and Level 3. 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.

Notes to the Consolidated Financial Statements

7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy

Description	Fair value measurements as at 31 December 2024			31 December 2024
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Recurring fair value measurements:				
Financial assets				
Financial assets at fair value through other comprehensive income				
– Unlisted equity securities (<i>note 24</i>)	–	–	53,112	53,112
Financial assets at fair value through profit or loss				
– Listed equity securities (<i>note 27</i>)	4,247	–	–	4,247
– Unlisted equity security (<i>note 27</i>)	–	–	1,919	1,919
Total	4,247	–	55,031	59,278

Description	Fair value measurements as at 31 December 2023			31 December 2023
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Recurring fair value measurements:				
Financial assets				
Financial assets at fair value through other comprehensive income				
– Unlisted equity securities (<i>note 24</i>)	–	–	56,282	56,282
Financial assets at fair value through profit or loss				
– Listed equity securities (<i>note 27</i>)	4,742	–	–	4,742
– Unlisted equity security (<i>note 27</i>)	–	–	1,928	1,928
– Treasury products (<i>note 27</i>)	–	–	80	80
Total	4,742	–	58,290	63,032

Notes to the Consolidated Financial Statements

7. FAIR VALUE MEASUREMENTS (Continued)

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

The fair value of the treasury product is based on the net asset value with reference to the prices of underlying investment portfolio quoted by fund administrator.

For the unlisted equity security under Adjusted NAV method, the Adjusted NAV method calls for a summation of the fair values of all assets belonging to an entity and a reduction of that aggregate by the fair values of that entity's total liabilities. The fair value is represented by the adjusted book value of total assets net of liabilities owed to any person other than the beneficial owners of the subject company.

Level 3 fair value measurements

Description	Valuation techniques	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 31 December 2024 RMB'000
Financial assets at fair value through profit and loss – unlisted equity security	Adjusted net asset value	The fair value of net assets of the investee	N/A	N/A	1,919
Financial assets at fair value through other comprehensive income – unlisted equity security	Adjusted net asset value	The fair value of net assets of the investee	N/A	N/A	52,998
Financial assets at fair value through other comprehensive income – unlisted equity security	Market approach	N/A	N/A	N/A	114

Notes to the Consolidated Financial Statements

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2024 and 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
Financial assets at fair value through profit and loss – treasury product	Adjusted net asset value	The fair value of net assets of the investee	N/A	N/A	80
Financial assets at fair value through profit and loss – unlisted equity security	Adjusted net asset value	The fair value of net assets of the investee	N/A	N/A	1,928
Financial assets at fair value through other comprehensive income – unlisted equity security	Adjusted net asset value	The fair value of net assets of the investee	N/A	N/A	56,067
Financial assets at fair value through other comprehensive income – unlisted equity security	Market approach	N/A	N/A	N/A	215

Notes to the Consolidated Financial Statements

7. FAIR VALUE MEASUREMENTS (Continued)

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

	2024 RMB'000	2023 RMB'000
Financial assets at fair value through profit or loss – treasury products		
At 1 January	80	5,128
Addition	–	289,620
Disposal	(863)	(295,049)
Fair value changes recognised in profit or loss	783	381
At 31 December	–	80
Financial assets at fair value through profit or loss – unlisted equity securities		
At 1 January	1,928	1,571
Fair value changes recognised in profit or loss	(9)	357
At 31 December	1,919	1,928
Financial assets at fair value through other comprehensive income – unlisted equity securities		
At 1 January	56,282	62,349
Fair value changes recognised in other comprehensive income for the year	(3,170)	(6,067)
At 31 December	53,112	56,282

Notes to the Consolidated Financial Statements

8. REVENUE

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

	2024 RMB'000	2023 RMB'000
Events operation and marketing income	27,460	26,320
Sports services income	–	5,923
Trading business income	50,606	–
	78,066	32,243

	2024 RMB'000	2023 RMB'000
Timing of revenue recognition		
– At a point in time	78,066	32,243

Revenue of the Group is recognised on a point in time basis and 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, and trading income generated from trading of cigar.

9. OTHER INCOME

	2024 RMB'000	2023 RMB'000
Investment income from treasury products (<i>note (a)</i>)	–	1,393
Interest income from loans to companies	–	2,306
Dividend income from financial assets at FVTOCI	–	2,989
Interest income	2,446	7,357
Rental income	802	411
Others	793	1,889
	4,041	16,345

Notes:

- (a) The Group invested in treasury products issued by financial institutions in the PRC. The investments are denominated in RMB.

Notes to the Consolidated Financial Statements

10. OTHER GAIN OR LOSS

	2024 RMB'000	2023 RMB'000
Impairment loss on property, plant and equipment	–	(16,262)
Impairment loss on intangible assets	–	(832)
Exchange gains, net	572	6,832
Fair value changes on financial assets at fair value through profit or loss	894	(326)
Gain on disposal of property, plant and equipment	323	1,027
Gain on disposal of investment properties	–	13,561
Fair value changes on investment properties	803	(4,235)
Others	500	(233)
	3,092	(468)

11. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest expenses on bank borrowing	430	63
Interest on lease liabilities	51	–
	481	63

Notes to the Consolidated Financial Statements

12. 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 three reportable operating segments, which are (a) Events Operation and Marketing; (b) Sports Services; and (c) Trading of cigar.

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

Events Operation and Marketing	Providing mainly marketing services in conjunction with sports-related competitions. Types of revenue include mainly corporate sponsorship income.
Sports Services	Providing services mainly to government, marathon runners and media companies in conjunction with sports-related competitions. Types of revenue include mainly live broadcasting and program production income, individual consumption income, and rental income from equipment.
Trading business	Trading of cigar and related products (a new business in 2024).

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. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements.

Segment results are measured as gross profit/(loss) of each segment without allocation of selling and distribution expenses, general and administrative expenses, finance costs, other income, other gain or loss, share of results of associates, net provision of impairment losses on other receivables, net provision of impairment losses on interest in associates and income tax expense. This is the measure reported to the CODM for the purpose of resource 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 resource allocation and assessment of segment performance.

Notes to the Consolidated Financial Statements

12. SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the years ended 31 December 2024 and 2023 is as follows:

Year ended 31 December 2024

	Event Operation and Marketing RMB'000	Sports Services RMB'000	Trading Business RMB'000	Total RMB'000
Revenue	27,460	–	50,606	78,066
Cost of services	(20,440)	(1,423)	(46,066)	(67,929)
Segment results	7,020	(1,423)	4,540	10,137
Other income				4,041
Other gain or loss				3,092
Selling and distribution expenses				(4,322)
General and administrative expenses				(34,670)
Share of results of associates				(415)
Net provision of impairment losses on trade receivables				(3,451)
Net provision of impairment losses on other receivables				(19,491)
Finance costs				(481)
Income tax expense				(7,053)
Loss for the year				(52,613)

Notes to the Consolidated Financial Statements

12. SEGMENT INFORMATION (Continued)

Year ended 31 December 2023

	Events Operation and Marketing RMB'000	Sports Services RMB'000	Total RMB'000
Revenue	26,320	5,923	32,243
Cost of services	(26,545)	(6,538)	(33,083)
Segment results	(225)	(615)	(840)
Other income			16,345
Other gain or loss			(468)
Selling and distribution expenses			(7,109)
General and administrative expenses			(44,240)
Share of results of associates			(1,130)
Net provision of impairment losses on other receivables			(43,570)
Net provision of impairment losses on interest in associates			(96)
Finance costs			(63)
Income tax expense			(6,000)
Loss for the year			(87,171)

Notes to the Consolidated Financial Statements

12. SEGMENT INFORMATION (Continued)

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the operation of subsidiaries. For revenue from events operation and marketing, sports services and trading business, it is presented based on the location where the contract is negotiated and effected.

The following table provides an analysis of the Group's revenue from external customers and non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
PRC	94	32,243	–	50,000
Hong Kong	77,972	–	1,744	–
United Kingdom ("UK")	–	–	38,975	38,013
	78,066	32,243	40,719	88,013

Note: Non-current assets excluded financial assets at fair value through other comprehensive income, interests in associates and deferred tax assets.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	2024	2023
	RMB'000	RMB'000
Customer A ¹	13,683	–*
Customer B ¹	13,683	–*
Customer C ¹	–*	9,245
Customer D ²	–*	3,774
Customer E ³	50,606	–*

¹ Revenue relating to events operation and marketing.

² Revenue relating to sports services.

³ Revenue relating to trading business.

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Notes to the Consolidated Financial Statements

13. INCOME TAX EXPENSE

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

	2024 RMB'000	2023 RMB'000
United Kingdom corporate tax	(297)	–
PRC Enterprise Income Tax ("EIT")		
– Withholding tax	(36)	(6,000)
	(333)	(6,000)
Deferred tax expenses (<i>note 35</i>)	(6,720)	–
	(7,053)	(6,000)

No provision for Hong Kong Profits Tax was required since the Group had no assessable profits in Hong Kong for the years ended 31 December 2024 and 2023.

United Kingdom corporate tax has been provided at a rate of 25% (2023: 25%).

PRC EIT has been provided at a rate of 25% (2023: 25%).

Pursuant to the PRC law on EIT, 10% withholding income tax will be levied on foreign investors for dividend distribution from foreign invested enterprises' profit earned after 1 January 2008. For qualified investors incorporated in Hong Kong, a treaty rate of 5% will be applied.

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 Consolidated Financial Statements

13. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of loss before tax multiplied by the respective applicable tax rates is as follows:

	2024 RMB'000	2023 RMB'000
Loss before tax	(45,560)	(81,171)
Tax at the respective applicable tax rates	10,921	26,076
Tax effect of share of results of associates	(103)	(282)
Tax effect of income that is not taxable	2,803	7,370
Tax effect of expenses that is not deductible	(6,007)	(13,794)
Net tax effect of temporary differences not recognised	(12,456)	(10,893)
Tax effect of tax losses not recognised	(2,175)	(8,477)
Withholding tax	(36)	(6,000)
Income tax expense	(7,053)	(6,000)

14. LOSS BEFORE TAX

The Group's loss before tax is stated after charging the following:

	2024 RMB'000	2023 RMB'000
Amortisation of intangible assets	–	836
Cost of services		
– events operation expenses	16,831	4,476
– staff costs	287	698
Cost of inventories utilised	46,001	497
Depreciation of property, plant and equipment (note 20)	254	11,849
Depreciation of right-of-use-assets (note 22)	718	–
Staff costs (note 15)		
– Salaries, bonuses and allowances	4,219	18,514
– Retirement benefit scheme contributions	335	297
Auditor's remuneration	718	950
Event service fee	14,139	–
Travelling expenses	1,286	1,575
Legal and professional fee	5,762	5,334

Notes to the Consolidated Financial Statements

15. EMPLOYEE BENEFITS EXPENSE

	2024 RMB'000	2023 RMB'000
Employee benefits expense:		
Salaries, bonuses and allowances	4,219	18,514
Retirement benefit scheme contributions	335	297
	4,554	18,811

(a) Five highest paid individuals

The five highest paid individuals in the Group during the year included three Directors (2023: four) whose Directors' emoluments are reflected in the analysis presented in note 16(a). The emoluments of the remaining two individuals (2023: one) are set out below:

	2024 RMB'000	2023 RMB'000
Salaries and allowances	779	436
Retirement benefit scheme contributions	29	16
	808	452

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
Nil to HK\$1,000,000	2	1

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2024 (2023: Nil). None of the five highest paid individuals have waived or agreed to waive any emoluments during the year ended 31 December 2024 (2023: Nil).

Notes to the Consolidated Financial Statements

16. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The emoluments of every Director are set out below:

	Fees RMB'000	Salaries and allowances RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive Directors				
Ms. Ren Wen	–	440	42	482
Mr. Sheng Jie	–	440	42	482
Ms. Zhang Jingjing (note g)	–	–	–	–
Mr. Chang Haisong (note h)	–	–	–	–
Ms. Ren Song (note i)	–	–	–	–
Ms. Hao Bin (note d)	–	333	27	360
Mr. Shen Wei (note e)	–	237	5	242
Mr. Wong Man Keung (note m)	–	309	15	324
Ms. Wang Jie (note n)	–	–	–	–
Ms. Zhang Panpan (note o)	–	–	–	–
Independent Non-executive Directors				
Mr. Ip Kwok On Sammy (note f)	–	–	–	–
Mr. Jin Guoqiang (note s)	–	–	–	–
Mr. Chen Zhijian (note r)	–	–	–	–
Ms. Gao Wenjuan (note j)	–	–	–	–
Ms. Leung Hiu Man (note k)	–	–	–	–
Ms. Peng Xiaoliu (note l)	–	–	–	–
Mr. Wu Mingcong (note p)	–	–	–	–
Mr. Lee Kin Fai (note q)	–	61	–	61
Total for the year ended 31 December 2024	–	1,820	131	1,951

Notes to the Consolidated Financial Statements

16. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

	Fees RMB'000	Salaries and allowances RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive Directors				
Ms. Ren Wen	108	10,174	40	10,322
Mr. Sheng Jie	108	2,089	29	2,226
Mr. Song Hongfei (note c)	54	244	30	328
Ms. Hao Bin (note d)	108	312	25	445
Dr. Shen Wei (note e)	54	2,190	16	2,260
Independent Non-executive Directors				
Mr. Ip Kwok On Sammy (note f)	108	–	–	108
Mr. Jin Guoqiang (note s)	108	–	–	108
Mr. Chen Zhijian (note r)	108	–	–	108
Total for the year ended 31 December 2023	756	15,009	140	15,905

The executive directors' emoluments shown above are mainly for their services in connection with the management of the affairs of the Company and the Group. Emoluments of the independent non-executive directors shown above were mainly for their services as the directors of the Company.

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company, any of its fellow subsidiaries, its holding companies or its subsidiaries was a party and in which the Directors of the Company or the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Notes to the Consolidated Financial Statements

16. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

- (c) Song Hongfei resigned as executive director of the Company on 28 June 2023.
- (d) Hao Bin resigned as executive director of the Company on 23 January 2024.
- (e) Shen Wei was appointed and resigned as executive director of the Company on 28 June 2023 and 23 January 2024 respectively.
- (f) Ip Kwok On Sammy resigned as independent non-executive director of the Company on 23 January 2024.
- (g) Zhang Jingjing was appointed and resigned as executive director of the Company on 30 April 2024 and 16 September 2024 respectively.
- (h) Chang Haisong was appointed as executive director of the Company on 30 April 2024.
- (i) Ren Song was appointed as executive director of the Company on 23 January 2024.
- (j) Gao Wenjuan was appointed as independent non-executive director of the Company on 23 January 2024.
- (k) Leung Hiu Man was appointed as independent non-executive director of the Company on 30 April 2024.
- (l) Peng Xiaoliu was appointed as independent non-executive director of the Company on 9 September 2024.
- (m) Wong Man Keung was appointed as executive director of the Company on 23 January 2024.
- (n) Wang Jie was appointed as executive director of the Company on 30 April 2024.
- (o) Zhang Panpan was appointed as executive director of the Company on 16 September 2024.
- (p) Wu Mingcong was appointed as independent non-executive director of the Company on 9 September 2024.
- (q) Lee Kin Fai was appointed and resigned as independent non-executive director of the Company on 23 January 2024 and 30 April 2024 respectively.
- (r) Chen Zhijian resigned as independent non-executive director of the Company on 9 September 2024.
- (s) Jin Guoqiang resigned as independent non-executive director of the Company on 9 September 2024.

Notes to the Consolidated Financial Statements

16. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

During the year ended 31 December 2024, Ms. Ren Song waived her emoluments with a total amount of HKD282,258 (equivalent to RMB261,382) per annum.

During the year ended 31 December 2024, Mr. Chang Haisong waived his emoluments with a total amount of HKD241,000 (equivalent to RMB223,176) per annum.

During the year ended 31 December 2024, Ms. Wang Jie waived her emoluments with a total amount of HKD241,000 (equivalent to RMB223,176) per annum.

During the year ended 31 December 2024, Ms. Zhang Panpan waived her emoluments with a total amount of HKD106,000 (equivalent to RMB98,160) per annum.

During the year ended 31 December 2024, Ms. Gao Wenjuan waived her emoluments with a total amount of HKD225,807 (equivalent to RMB209,106) per annum.

During the year ended 31 December 2024, Ms. Leung Hiu Man waived her emoluments with a total amount of HKD241,000 (equivalent to RMB223,176) per annum.

During the year ended 31 December 2024, Mr. Wu Mingcong waived his emoluments with a total amount of HKD4 (equivalent to RMB3) per annum.

During the year ended 31 December 2024, Ms. Peng Xiaoliu waived her emoluments with a total amount of HKD4 (equivalent to RMB3) per annum.

Except for above, none of the directors of the Company waived or agreed to waive any emoluments paid by the Group. No emoluments have been paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

17. RETIREMENT BENEFIT SCHEMES CONTRIBUTIONS

The Group operates a mandatory provident fund scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group’s contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,500 per employee and vest fully with employees when contributed into the MPF Scheme. Under the MPF Scheme, the employer and its employees are each required to make contribution to the MPF Scheme at 5% of the employees’ relevant income subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately. During the years ended 31 December 2024 and 2023, no forfeited contributions were utilised by the Group to reduce its contributions.

The employees employed by the Group’s subsidiaries in the PRC are members of state-managed retirement benefits scheme operated by the government of the PRC. The subsidiaries are required to contribute a specific percentage of payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme operated by the government of the PRC is to make the specified contributions under the schemes.

18. DIVIDENDS

The Board of Directors does not recommend the payment of any dividend in respect of the years ended 31 December 2024 and 2023.

19. LOSS PER SHARE

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

	2024 RMB'000	2023 RMB'000
Loss attributable to owners of the Company		
Loss for the purposes of calculating basic and diluted loss per share	(52,582)	(87,178)

	2024 '000	2023 '000 (restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	190,294	159,294

The computation of diluted 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 years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

20. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost					
At 1 January 2023	17,820	2,117	58,500	5,812	84,249
Additions	–	–	4	880	884
Disposals	(17,820)	(2,117)	(68)	(1,004)	(21,009)
At 31 December 2023 and 1 January 2024	–	–	58,436	5,688	64,124
Additions	–	486	29	468	983
Disposals	–	–	(174)	(3,273)	(3,447)
At 31 December 2024	–	486	58,291	2,883	61,660
Accumulated depreciation					
At 1 January 2023	10,315	2,117	32,779	4,649	49,860
Charge for the year	397	–	11,218	234	11,849
Written back on disposals	(10,712)	(2,117)	(65)	(953)	(13,847)
Impairment	–	–	14,504	1,758	16,262
At 31 December 2023 and 1 January 2024	–	–	58,436	5,688	64,124
Charge	–	198	8	48	254
Written back on disposals	–	–	(174)	(3,273)	(3,447)
Exchange realignment	–	3	1	1	5
At 31 December 2024	–	201	58,271	2,464	60,936
Carrying amount					
At 31 December 2024	–	285	20	419	724
At 31 December 2023	–	–	–	–	–

Notes to the Consolidated Financial Statements

20. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment

During the year ended 31 December 2024, in the opinion of the directors of the Company, there is no impairment to be made on the property, plant, and equipment.

During the year ended 31 December 2023, in the opinion of directors of the Company, as the sport service business still made operating loss after the end of the novel coronavirus pandemic, and the Group was unable to be certain of the timing of recovery of its sport service business, accordingly, in the opinion of the directors of the Company, property, plant and equipment were fully impaired and an impairment of RMB16,262,000 was recognised in profit or loss.

21. INVESTMENT PROPERTIES

	2024 RMB'000	2023 RMB'000
At 1 January	38,013	11,140
Additions	–	41,239
Disposal	–	(11,140)
Change in fair values of investment properties	803	(4,235)
Exchange realignment	159	1,009
At 31 December	38,975	38,013

The lease contracts do not contain lessee's option to purchase the properties at the end of the lease term.

As at 31 December 2024, the Group's investment property of approximately RMB9,280,000 (2023: RMB9,239,000) was pledged as collateral for the Group's bank borrowing of approximately RMB6,639,000 (2023: RMB6,610,000) (note 39).

On 12 July 2024, the vendor (a wholly-owned subsidiary of the Company) entered into a sale and purchase agreement with the purchaser for the sale of a property-holding subsidiary for a consideration of GBP4.5 million, or approximately RMB42.4 million (the "Disposal"). As of 31 December 2024 and 2023, this subsidiary held all the investment properties of the Group.

In January 2025, the Disposal was completed, and the subsidiary ceased to be part of the Group. For further details, please refer to the Company's announcement dated 12 July 2024.

Notes to the Consolidated Financial Statements

21. INVESTMENT PROPERTIES (Continued)

Fair Value Measurement of Investment Properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 3 valuations: fair value measured using significant unobservable inputs.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2024				
<i>Fair value on a recurring basis</i>				
Investment properties:				
– Located in UK	–	–	38,975	38,975

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2023				
<i>Fair value on a recurring basis</i>				
Investment properties:				
– Located in UK	–	–	38,013	38,013

There were no transfers between Level 1 and Level 2 or transfers out of Level 3 in the current year.

The fair value of the Group's investment properties as at 31 December 2024 has been arrived at on the basis of a valuation carried out by Libra Appraisal Limited (2023: Avista Business Consulting (Beijing) Co., Ltd.), an independent qualified profession valuer not connected to the Group.

At the end of each reporting period, the management will (i) verify all major inputs to the independent valuation report; (ii) assess property valuations movements when compared to the prior year valuation report; and (iii) holds discussion with the valuer.

In estimation their fair value of the investment properties, the highest and best use of the investment properties is their current use.

Notes to the Consolidated Financial Statements

21. INVESTMENT PROPERTIES (Continued)

Fair Value Measurement of Investment Properties (Continued)

(ii) Information about Level 3 fair value measurements

	Fair value as at 31 December 2024 RMB'000	Fair value as at 31 December 2023 RMB'000	Valuation techniques	Significant unobservable inputs	Range	Relationship of significant unobservable inputs to fair value
Investment properties located in UK – residential properties	38,975	38,013	Market comparable approach	Market unit rate per square meter, taking into account the recent transaction prices for similar properties adjusted for nature and location	2024: Ranged from GBP12,312 to GBP15,566 (2023: GBP11,501 to GBP15,709)	The increase in unit rate would result in increase in fair value.

22. RIGHT-OF-USE-ASSET

	Office premise 2024 RMB'000	2023 RMB'000
At 1 January	–	–
Addition	1,749	–
Depreciation	(718)	–
Exchange realignment	(11)	–
At 31 December	1,020	–

Details of total cash outflow for leases included in net cash used in financing activities are set out in note 41 to the consolidated financial statements.

Lease arrangement of office premise was negotiated on an individual basis and contain a lease term of 2 years. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Notes to the Consolidated Financial Statements

23. INVESTMENTS IN SUBSIDIARIES

Name	Place and date of incorporation or registration/ Type of legal entity	Particular of issued share capital	Percentage of ownership interest/ voting power/profit sharing 2024	2023	Principal activities/Place of operation
Directly held by the Company					
Torch Media Co., Ltd.	BVI/2 April 2012/Limited liability company	Ordinary shares US\$1	100%	100%	Investment holding/BVI
Indirectly held by the Company					
Auto Culture Group Holding Limited	HK/23 April 2012/Limited liability company	Ordinary shares HKD\$1	100%	100%	Trading of cigar/HK
Beijing Shangde Da'ai Sports Co., Ltd.*	PRC/20 May 2016/Limited liability company	RMB500,000	100%	69.1%	Service provision for the organisation of marathon events/PRC
Beijing Wisdom Media Holding Co., Ltd.**	PRC/26 December 2006/ Limited liability company	RMB60,000,000	100%	100%	Investment holding/PRC
Beijing Wisdom Sports Culture Co., Ltd.*	PRC/4 December 2015/Limited liability company	RMB1,000,000	100%	100%	Corporate services/PRC
Beijing Wisdom Sports Industry Co., Ltd.*	PRC/6 July 2012/Limited liability company	US\$500,000	100%	100%	Investment holding/PRC
Jiangxi Wisdom Sports Culture Co., Ltd.*	PRC/24 March 2014/Limited liability company	RMB3,000,000	100%	100%	Event organisation and related services/PRC
Wisdom Sports Entertainment (Zhejiang) Co., Ltd.*	PRC/10 December 2013/ Limited liability company	RMB290,000,000	100%	100%	Event organisation and related services/PRC
Subsidiaries of Beijing Wisdom Media					
First AI Sports Technology (Shenzhen) Co., Ltd. **	PRC/6 May 2016/Limited liability company	RMB10,000,000	100%	100%	Live broadcasting and marathon timing services/PRC
Wisdom London Limited	United Kingdom/15 February 2024/Limited liability company	GBP1,000	100%	100%	Property Investment

Notes to the Consolidated Financial Statements

23. INVESTMENTS IN SUBSIDIARIES (Continued)

[^] These companies are under the Structured Contracts. Details are set out in note 5(a)(i) to the consolidated financial statements.

^{*} The English names of these companies represented the best effort by the management of the Group in translating their Chinese names as they do not have official English names.

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RMB'000	2023 RMB'000
Unlisted equity securities	53,112	56,282

As at 31 December 2024, the Group had 2.19% (2023: 2.19%) of the 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 principal of the investments of RMB50,000,000. The Group is one of the limited partners of U.S.-China Green Fund which is mainly invested 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 31 December 2024, the fair value of this equity instrument is approximately RMB52,998,000 (2023: RMB56,067,000) accounting for 12.9% (2023: 13.6%) of the Group's total assets. Unrealised loss of RMB3,170,000 (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 investment for strategic purposes since initial recognition to generate long-term capital growth.

25. INTERESTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Unlisted investments:		
Cost of investments in associates	14,626	15,041
Accumulated impairment losses	(10,391)	(10,391)
	4,235	4,650

Notes to the Consolidated Financial Statements

25. INTERESTS IN ASSOCIATES (Continued)

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

Name	Place of incorporation/ registration	Particular of issued share capital	Percentage of ownership interest/voting power/ profit sharing		Principal activities
			2024	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
Yuan Tong Global Financial Group Limited ("YTG")	Hong Kong	HKD100	0.0001%	0.0001%	Financial services

During the year ended 31 December 2023, YTG issued 32,439,900 ordinary shares. The Group's equity interest in YTG was diluted from 34% to approximately 0.0001%. Such changes was a deemed disposal of interest in an associate in accordance with HKAS 28. The equity interest of YTG was then classified as a financial asset at fair value through profit or loss during the year ended 31 December 2023. Since the interest in the YTG was fully impaired during the year ended 31 December 2022, there is no gain or loss on the deemed disposal of interest in an associate of YTG during the year ended 31 December 2023.

For investment in GTYK, the recoverable amount of this investment has been determined based on value in use by using discounted cash flow method. A discount rate of 12.2% (2023: 12.2%) was used. As a result, according to the impairment test result used by the Group, the recoverable amount of this investment is higher than its carrying amount as at 31 December 2024 (2023: the recoverable amount of this investment is lower than its carrying amount, and an impairment loss of RMB877,000 was recognised in profit or loss).

Notes to the Consolidated Financial Statements

25. INTERESTS IN ASSOCIATES (Continued)

For investment in Vning, the recoverable amount of this investment has been determined based on fair value less costs of disposal by using discounted cash flow method. A discount rate of 28.4% (2023: 28.4%) was used. As a result, according to the impairment test result used by the Group, the recoverable amount of this investment is higher than its carrying amount as at 31 December 2024 and 2023.

Notes:

- (a) The Articles of Association of Vning specifies that at least half of the shareholding is required to approve for decisions 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) Upon a resolution passed in the shareholders' meeting of Zhongsai Sports on the registered share capital reduction of Zhongsai Sports from RMB50,000,000 to RMB20,000,000, the Group would be returned for RMB3,000,000 of its investment cost based on its 10% equity interest in. As at 31 December 2024 and 2023, RMBnil and RMB800,000 respectively are receivables from Zhongsai Sports.

As the Group holds 10% equity interest in Zhongsai Sports, and has right to appoint 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.

Notes to the Consolidated Financial Statements

25. INTERESTS IN ASSOCIATES (Continued)

The following table shows information on the principal associate that is individually material to the Group. This associate is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the associate.

	GTJK	
	2024	2023
Place of incorporation/Place of operation	PRC/PRC	PRC/PRC
Principal activities	Technology development	Technology development
% of ownership interest/voting power/profit sharing held by the Group	20%/20%	20%/20%
	RMB'000	RMB'000
At 31 December:		
Non-current assets	8	9
Current assets	36,293	37,413
Current liabilities	(4,496)	(3,929)
Net assets	31,805	33,493
Year ended 31 December:		
Revenue	1,849	5,957
Loss	(1,678)	339
Total comprehensive expense	(1,678)	339

	2024	2023
Proportion of the Group's ownership interest in the associate	20%	20%
	RMB'000	RMB'000
Net assets of the associate	31,805	33,493
The Group's share of net assets	6,363	6,699
Goodwill	2,826	2,826
Impairment losses	(5,181)	(5,181)
Carrying amount of the Group's interest in the associate	4,008	4,344

Notes to the Consolidated Financial Statements

25. INTERESTS IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material:

	2024 RMB'000	2023 RMB'000
The Group's share of loss	(760)	(1,198)
The Group's share of post-tax loss	(760)	(1,198)
The Group's share of other comprehensive expense	–	–
The Group's share of total comprehensive expense	(760)	(1,198)
Aggregate carrying amount of the Group's interests in these associates	227	306

26. INVENTORIES

	2024 RMB'000	2023 RMB'000
Finished goods	–	997

27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Listed equity securities		
– Hong Kong	2,091	1,185
– the PRC	2,156	3,557
	4,247	4,742
Unlisted equity securities	1,919	1,928
Treasury products	–	80
	6,166	6,750

Notes to the Consolidated Financial Statements

28. TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	64,939	17,489
Allowance for impairment of trade receivables	(16,081)	(12,630)
	48,858	4,859

The Group generally allows an average credit period of 180 days (2023: 180 days) for its customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

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

	2024 RMB'000	2023 RMB'000
Within 1 month	–	2,390
1 to 3 months	48,858	–
4 to 6 months	–	–
7 to 12 months	–	132
Over 1 year	–	2,337
	48,858	4,859

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

Notes to the Consolidated Financial Statements

29. OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Cash held at security trading accounts	1,343	1,357
Deposits with media companies and event organisation companies	18	318
Advance to employees	2,061	94
Amount due from a controlling shareholder (note (e))	3,448	3,448
Amounts due from directors (note (e))	1,360	493
Deposits	274	30
Amounts due from an interest in an associate (note (f))	–	800
Redemption receivables from fund investments (note (c))	29,345	29,345
Fund investment in a partnership (note (a))	38,563	38,563
Loans to companies (note (b))	–	79,551
Interest income from fixed deposits	–	3,209
Earnest money paid for potential equity investment (note (d))	11,165	18,000
Others	4,629	7,015
	92,206	182,223
Allowance for impairment of other receivables	(87,138)	(79,744)
	5,068	102,479
Non-current portion	–	(50,000)
Total current portion	5,068	52,479
Non-current portion		
Loans to companies (note (b))	–	50,000
Total non-current portion	–	50,000

Notes:

- (a) On 1 July 2018, the Group entered into a Limited Partnership Agreement with 深圳市車城五號投資企業(有限合夥) (“SZCC”), whereas the Group invested RMB50,000,000 into SZCC as a limited partner. The Group has no influence on the financial and operating decisions of SZCC. The investment is denominated in RMB. The investment had an annualised rate of return of 8% receivable every six months, and a right granted to the Group for exercising the redemption of equitable investment every six months, which was then revised during the year ended 31 December 2020 for an annualised rate of return of 4.75% receivable annually, and a right granted to the Group for exercising the redemption of equitable investment annually. The investment is held for the collection of contractual cash flows which represents solely payments of principal and interest, and the related interest income is calculated using the effective interest method. Hence, the Directors considered the investment has fixed maturity and interest. Accordingly, the investment is accounted for as other receivables and subsequently measured at amortised cost.
- (b) As at 31 December 2023, the balance represents loans to independent third parties and the business partners of the Group. The loan periods ranging from 2 months to 3 years with fixed interest rates ranging from 3.00% to 4.75% per annum. The loan balance of approximately RMB70,771,000 are pledged with properties located in the PRC and fully received during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

29. OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (c) As at 31 December 2024, the balance represents the outstanding balance of redemption receivables from fund investments.

In 2021, the Group disposed of a listed equity security in the PRC and an unlisted equity security in the PRC, with investment costs of approximately RMB21,000,000 and approximately RMB13,742,000, at considerations of approximately RMB29,400,000 and approximately RMB20,665,000 respectively as a result of activation of redemption clauses with predetermined redemption prices specified in the share transfer agreements.

- (d) The balance represents the earnest money paid for the potential equity investment in which of approximately RMB13,000,000 was paid as earnest money for the potential equity investment which subject to the fulfillment of certain investment criteria. However, due to the interruption of the outbreak of COVID-19 in previous year, certain investment criteria of a potential equity investment were yet to be fulfilled during the years ended 31 December 2024 and 2023.

On 12 April 2023, the Group commenced arbitration proceedings (the "**Arbitration**") with the Beijing Arbitration Committee against the counterparty of the potential equity investment to request the termination of the respective investment agreement. The arbitral award in the Arbitration has been rendered by the Beijing Arbitration Committee on 20 March 2024, which, amongst other things, contained the awards that the respective agreement was terminated accordingly. In the opinion of the directors, the said earnest money are expected to be settled in 2025 and classified as other receivables.

- (e) The amounts are unsecured, interest-free and no fixed terms of repayment. Maximum outstanding amount due from a controlling shareholder and amount due from directors are approximately RMB3,448,000 (2023: RMB3,448,000) and approximately RMB1,360,000 (2023: RMB493,000) respectively during the year.
- (f) The amounts are unsecured, interest-free and no fixed terms of repayment. Maximum outstanding amount is approximately RMBnil (2023: RMB800,000) during the year.

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

30. PREPAYMENTS AND OTHER CURRENT ASSETS

	2024 RMB'000	2023 RMB'000
Prepayments for sport competition and event organisation expenses	6,755	6,379
Value-added and other taxes' credits	–	11,486
Others	11	11
	6,766	17,876

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

Notes to the Consolidated Financial Statements

31. CASH AND BANK BALANCE

	2024 RMB'000	2023 RMB'000
Short-term bank deposits	–	141,353
Bank balances	246,473	32,379
Bank balances and cash shown in the consolidated statement of financial position	246,473	173,732
Less: Bank deposits with a maturity of more than three months	–	(84,536)
Cash and cash equivalents shown in the consolidated statement of cash flows	246,473	89,196

Cash and cash equivalents comprise cash held by the Group and short-term deposits with an original maturity of three months or less. The balances are mainly denominated in RMB, HKD, GBP and USD.

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.

Bank balances and bank deposits carried at prevailing market rates ranging from 0.01% to 5.85% per annum during the period ended 31 December 2024 (2023: 0.01% to 5.85%).

Notes to the Consolidated Financial Statements

32. SHARE CAPITAL

	Number of shares	US\$'000	RMB'000
Authorised:			
At 1 January 2023, 31 December 2023 and 1 January 2024 (ordinary shares of US\$0.00025 each)	4,000,000,000	1,000	–
Share consolidation (<i>note (a)</i>)	(3,600,000,000)	–	–
Increase (<i>note (a)</i>)	1,600,000,000	4,000	–
At 31 December 2024 (ordinary shares of US\$0.0025 each)	2,000,000,000	5,000	–
Issued and fully paid:			
At 1 January 2023, 31 December 2023 and 1 January 2024 (ordinary shares of US\$0.00025 each)	1,592,942,000	398	2,454
Issue of shares (<i>note (b)</i>)	310,000,000	78	557
Share consolidation (<i>note (a)</i>)	(1,712,647,800)	–	–
At 31 December 2024 (ordinary shares of US\$0.0025 each)	190,294,200	476	3,011

Note:

- (a) On 23 December 2024, every ten (10) issued and unissued ordinary shares with a par value of US\$0.00025 each in the authorised and issued share capital of the Company were consolidated into one (1) ordinary share with a par value of US\$0.0025 each (the “**Consolidated Shares**”) (the “**Share Consolidation**”).

The authorised share capital of the Company increased from US\$1,000,000 divided into 400,000,000 Consolidated Shares of US\$0.0025 each to US\$5,000,000 divided into 2,000,000,000 shares of US\$0.0025 each by the creation of an additional 1,600,000,000 Consolidated Shares.

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

Notes to the Consolidated Financial Statements

32. SHARE CAPITAL (Continued)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Adjusted capital comprises all components of equity (i.e. share capital, retained profits and other reserves) except for non-controlling interests.

The externally imposed capital requirement for the Group is to have a public float of at least 25% of the shares in order to maintain its listing on the Stock Exchange.

The directors actively and regularly review and manage the Group's capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholders' returns. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and raise new debts or sells assets to reduce debts.

The gearing ratio as at the end of reporting period was as follows:

	2024 RMB'000	2023 RMB'000
Borrowing	6,639	6,610
Total debts	6,639	6,610
Total equity	351,471	368,599
Gearing ratio	1.89%	1.79%

The Group targets to maintain a gearing ratio to be in line with the expected changes in economic and financial conditions. The Group's overall strategy on capital management remains unchanged throughout the year.

Notes to the Consolidated Financial Statements

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2024 RMB'000	2023 RMB'000
Non-current assets		
Investments in subsidiaries	–	–
Property, plant and equipment	305	–
Right-of-use-assets	1,020	–
	1,325	–
Current assets		
Financial assets at fair value through profit or loss	2,091	1,185
Other receivables	83,083	81,189
Cash and cash equivalents	243,832	94,038
	329,006	176,412
TOTAL ASSETS	330,331	176,412
Capital and reserves		
Share capital	3,011	2,454
Reserves	173,408	141,403
TOTAL EQUITY	176,419	143,857
Current liabilities		
Other payables and accrued expenses	152,875	32,555
Lease liabilities	1,037	–
	153,912	32,555
TOTAL EQUITY AND LIABILITIES	330,331	176,412

The financial statements were approved and authorised for issue by the Board of Directors on 15 April 2025 and are signed on its behalf by:

Ren Wen
Director

Sheng Jie
Director

Notes to the Consolidated Financial Statements

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	Share premium RMB'000	Share-based payments reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2023	54,245	674	99,577	154,496
Loss and total comprehensive expense for the year	–	–	(13,778)	(13,778)
Forfeiture of unclaimed dividends	–	–	685	685
At 31 December 2023	54,245	674	86,484	141,403
At 1 January 2024	54,245	674	86,484	141,403
Loss and total comprehensive expense for the year	–	–	(7,265)	(7,265)
Issue of shares	39,270	–	–	39,270
Lapse of share options	–	(401)	401	–
At 31 December 2024	93,515	273	79,620	173,408

34. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the share premium account is available for distribution to shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company is in a position to pay off its debts as they fall due in the ordinary course of business of the Company.

(ii) Share-based payments reserve

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised share options granted to Directors and employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

34. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iii) Statutory reserve

The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to shareholders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate 10% of statutory profits after income tax to statutory reserves, upon distribution of its post-tax profits of the current year.

A company may discontinue the contribution when the aggregate sum of the statutory reserve is more than 50% of its registered capital. The statutory reserves shall only be used to make up losses of the company, to expand the company's operations or to increase the capital of the company. In addition, a company may make contribution to the discretionary reserve using its post-tax profits in addition to the 10% statutory reserves requirement, as mentioned above, by passing a resolution of the Board of Directors. The Group did not make any appropriation to the discretionary reserve.

(iv) Other reserve

Other reserve comprises the paid-up capital and reserve of Beijing Wisdom Media, a Group's existing subsidiary which is held by Beijing Wisdom Sports under the structured contracts entered into on 24 June 2013 to obtain the effective control and substantial residual economic benefits of Beijing Wisdom Media and its subsidiaries.

Under the structured contracts signed between the Group, and Beijing Wisdom Media and its direct shareholders, such arrangement was made as part of the reorganisation for initial public offering in 2013 in order to consolidate Beijing Wisdom Media into the Group.

(v) Fair value reserve (non-recycling)

Fair value reserve (non-recycling) comprises the cumulative net change in the fair value of investment in equity instruments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4 to the consolidated financial statements.

(vi) Exchange reserve

Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. RMB) that are recognised directly in other comprehensive income and accumulated in the Exchange reserve. Such exchange differences accumulated in the Exchange reserve are reclassified to profit or loss on the disposal of the foreign operations.

(vii) Investment properties reserve

The property revaluation reserve represents cumulative gains arising from revaluation of the owner-occupied properties transferred to investment properties which have been recognised in other comprehensive income. Such items will not be reclassified to profit or loss in subsequent periods.

Notes to the Consolidated Financial Statements

35. DEFERRED TAX

The followings are the deferred tax assets recognised by the Group:

Deferred tax assets	Allowance for impairment of trade receivables RMB'000
At 1 January 2023, 31 December 2023 and 1 January 2024	(6,720)
Charged to profit or loss (<i>note 13</i>)	6,720
At 31 December 2024	–

At the end of the reporting period, the Group has not recognised deferred tax assets in respect of unused tax losses of RMB147,613,000 (31 December 2023: RMB286,777,000) and temporary difference of RMB19,491,000 (2023: RMB43,570,000) arising from impairment loss on other receivables due to the unpredictability of future profit streams. Tax losses of RMB30,403,277 (2023: RMB181,947,000) are all arisen in the PRC and will be expired within five years for offsetting against future taxable profits. Other losses may be carried forward indefinitely.

Under the Enterprise Income Tax Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries of RMB236,562,000 as at 31 December 2024 (2023: RMB220,247,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

36. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Within 1 year	1,070	–	1,037	–
	1,070	–	1,037	–
Less: total future interest expenses	(33)	–		
Present value of lease liability	1,037	–		

At 31 December 2024, the weighted average effective interest rates of the lease liabilities of the Group were approximately 5.0% per annum (2023: nil).

At 31 December 2024, the carrying amounts of the Group's lease liabilities were denominated in HKD.

Notes to the Consolidated Financial Statements

37. TRADE PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	4,593	11,810

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:

	2024 RMB'000	2023 RMB'000
Within 1 month	–	6,920
1 to 3 months	–	281
4 to 6 months	–	–
7 to 12 months	–	–
Over 1 year	4,593	4,609
	4,593	11,810

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

38. OTHER PAYABLES AND ACCRUALS

	2024 RMB'000	2023 RMB'000
Payables for event operation expenses	77	–
Interest payables	4	114
Deposit received of disposal of investment properties (<i>note 21</i>)	26,854	–
Accrued salaries	427	381
Accruals	2,227	1,305
Others	1,243	1,818
	30,832	3,618

Notes to the Consolidated Financial Statements

39. BANK BORROWING

	2024 RMB'000	2023 RMB'000
Carrying amount of bank borrowing that are repayable:		
– within one year	–	–
– from one to two years	–	–
– from two to five years	6,639	6,610
	6,639	6,610

The exposure of the Group's floating-rate borrowing is as follows:

	2024 RMB'000	2023 RMB'000
Floating-rate borrowing	6,639	6,610

The effective interest rates per annum (which are equal to contractual interest rates) on the Group's floating-rate borrowing was 5.99% for the year ended 31 December 2024 (2023: 6.29%).

The Group's bank borrowing are wholly repayable in five years for the year ended 31 December 2024, secured by certain investment property of RMB9,280,000 (2023: RMB9,239,000) as set out in note 21 and guaranteed by Ms. Ren Wen, a director of the Company.

The bank borrowing has been derecognised in January 2025 through the disposal of a subsidiary (note 21).

Notes to the Consolidated Financial Statements

40. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a resolution passed on 14 June 2013 for the primary purpose of providing incentives and rewards to people and the parties working for the interest of the Group. The Share Option Scheme will remain valid for a period of ten years commencing on 14 June 2013 and shall expire at the close of business on the business date immediately preceding the tenth anniversary thereof unless terminated earlier by shareholders in general meeting. Under the Share Option Scheme, the Directors may grant options to eligible participants including the Directors, employees of the Company or any of its subsidiaries and consultants or advisers of the Company or any of its subsidiaries to subscribe for shares in the Company in accordance with the Share Option Scheme. An offer for the grant of options must be accepted within seven days from the date of offer and a consideration of HK\$1.00 is payable by each of the participants on acceptance of the grant of options.

As at 31 December 2024, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 15,000 (2023: 365,000), representing approximately 0.0% (2023: approximately 0.0%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in aggregate within any 12-month period is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period of not more than ten years after the date on which an offer of the grant of an option is accepted. The subscription price of a share is determined by the Directors, and will not be less than the higher of (a) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of offer, which must be a trading day; (b) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of offer; and (c) the nominal value of a share.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Notes to the Consolidated Financial Statements

40. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Details of the specific categories of options are as follows:

	Date of grant	Number of shares granted	Vesting period	Exercise period	Exercise price
Option 1	23.05.2014	302,500	23.05.2014-22.05.2015	23.05.2015-22.05.2024	HK\$3.92
		302,500	23.05.2014-22.05.2016	23.05.2016-22.05.2024	HK\$3.92
		302,500	23.05.2014-22.05.2017	23.05.2017-22.05.2024	HK\$3.92
		302,500	23.05.2014-22.05.2018	23.05.2018-22.05.2024	HK\$3.92
Option 2	29.05.2015	625,000	29.05.2015-28.05.2016	29.05.2016-28.05.2025	HK\$8.04
		625,000	29.05.2015-28.05.2017	29.05.2017-28.05.2025	HK\$8.04
		625,000	29.05.2015-28.05.2018	29.05.2018-28.05.2025	HK\$8.04
		625,000	29.05.2015-28.05.2019	29.05.2019-28.05.2025	HK\$8.04

The movements of the outstanding share options granted of the Group during the year ended 31 December 2024 are as follows:

Option type	Outstanding at 1 January 2024	Adjustment *	Granted during the year	Exercised during the year	Forfeited during the year	Expired during the year	Outstanding and exercisable at 31 December 2024
Executive Director: Song Hongfei	215,000	-	-	-	-	(215,000)	-
Option 1	215,000	-	-	-	-	(215,000)	-
Executive Director: Hao Bin	150,000	(135,000)	-	-	-	-	15,000
Option 2	150,000	(135,000)	-	-	-	-	15,000
	365,000	(135,000)	-	-	-	(215,000)	15,000
Exercisable at the end of the year							15,000
Weighted average exercise price	HK\$6.70	N/A	N/A	N/A	N/A	N/A	HK\$80.36*

* The exercise price per share option and the number of share options were adjusted upon the completion of Share Consolidation on 23 December 2024.

Notes to the Consolidated Financial Statements

40. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

The movements of the outstanding share options granted of the Group during the year ended 31 December 2023 are as follows:

Option type	Outstanding at 1 January 2023	Reclassification	Granted during the year	Exercised during the year	Forfeited during the year	Expired during the year	Outstanding and exercisable at 31 December 2023
Executive Director: Song Hongfei	215,000	-	-	-	-	-	215,000
Option 1	215,000	-	-	-	-	-	215,000
Executive Director: Hao Bin	150,000	-	-	-	-	-	150,000
Option 2	150,000	-	-	-	-	-	150,000
	365,000	-	-	-	-	-	365,000
Exercisable at the end of the year							365,000
Weighted average exercise price	HK\$6.70	N/A	N/A	N/A	N/A	N/A	HK\$6.70

During the years ended 31 December 2024 and 2023, no options were granted.

Notes to the Consolidated Financial Statements

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000	Bank borrowing (note 39) RMB'000	Total RMB'000
As at 1 January 2024	–	6,610	6,610
Payment of principle element of lease liabilities	(702)	–	(702)
Interest paid on bank borrowing	–	(430)	(430)
Interest paid on lease liabilities	(51)	–	(51)
Total changes from financing cash flows	(753)	(430)	(1,183)
Effect of changes in foreign exchange rates	(10)	29	19
Other changes:			
New lease entered	1,749	–	1,749
Interest on bank borrowing	–	430	430
Interest on lease liabilities	51	–	51
Total other changes	1,800	430	2,230
As at 31 December 2024	1,037	6,639	7,676

Notes to the Consolidated Financial Statements

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Continued)

	Bank borrowing (note 39) RMB'000
As at 1 January 2023	–
Raise of new loan	6,435
Interest paid on bank borrowing	(63)
Total changes from financing cash flows	6,372
Effect of changes in foreign exchange rates	175
Other changes:	
Interest on bank borrowing	63
Total other changes	63
As at 31 December 2023	6,610

42. 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:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Directors' fees	–	756
Salaries and allowances	1,820	15,009
Retirement benefit scheme contributions	131	140
	1,951	15,905

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements is set out below:

Comparison of Key Financial Figures	For the year ended 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Revenue	78,066	32,243	4,976	12,172	8,942
Cost	(67,929)	(33,083)	(1,476)	(12,384)	(9,323)
Gross profit/(loss)	10,137	(840)	3,500	(212)	(381)
Loss before income tax	(45,560)	(81,171)	(67,503)	(44,376)	(40,929)
Loss attributable to the owners of the Company	(52,582)	(87,178)	(75,479)	(47,849)	(43,985)
Total assets	411,397	412,358	499,155	586,595	607,901
Total liabilities	59,926	43,759	38,384	52,260	48,088