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01661.HK

**中國前沿科技集團**

China Frontier Technology Group

*(formerly known as Wisdom Sports Group 智美體育集團)*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1661)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **FINANCIAL HIGHLIGHTS**

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of China Frontier Technology Group (the “**Company**” or “**CH Frontier**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
*FOR THE SIX MONTHS ENDED 30 JUNE 2025*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue</b>	<b>4</b>	<b>18,244</b>	22,356
Cost of services		<u>(8,210)</u>	<u>(14,860)</u>
<b>Gross profit</b>		<b>10,034</b>	7,496
Other income	5	3	16,606
Other gain/(loss), net	6	7,789	(3,175)
Net provision of impairment losses on other receivables		–	(328)
Net provision of impairment losses on trade receivables		(35,379)	(252)
Selling and distribution expenses		–	(2)
General and administrative expenses		<u>(2,903)</u>	<u>(4,903)</u>
<b>(Loss)/profit from operations</b>		<b>(20,456)</b>	15,442
Finance cost		(21)	(199)
Share of results of associates		<u>208</u>	<u>(452)</u>
<b>(Loss)/profit before tax</b>		<b>(20,269)</b>	14,791
Income tax expense	8	<u>(849)</u>	<u>(656)</u>
<b>(Loss)/profit for the period</b>	9	<u><b>(21,118)</b></u>	<u>14,135</u>
Attributable to:			
Owners of the Company		(21,118)	14,126
Non-controlling interests		<u>–</u>	<u>9</u>
		<u><b>(21,118)</b></u>	<u>14,135</u>

		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
		(unaudited)	(unaudited)
<b>Other comprehensive income/(expense)</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Financial assets at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		–	(2,053)
<i>Item that are or may be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		3,328	978
<b>Other comprehensive income/(expense) for the period, net of tax</b>		3,328	(1,075)
<b>Total comprehensive (expense)/income for the period</b>		(17,790)	13,060
Attributable to:			
Owners of the Company		(17,790)	13,051
Non-controlling interests		–	9
		(17,790)	13,060
			Restated
<b>Earning per share attributable to owners of the Company</b>			
	11		
Basic and diluted (RMB cents)		(11.10)	7.42

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2025**

		<b>30 June 2025</b>	31 December 2024
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>178</b>	724
Right-of-use assets		<b>583</b>	1,020
Investment properties		<b>–</b>	38,975
Financial assets at fair value through other comprehensive income		<b>53,112</b>	53,112
Investments in associates		<b>4,235</b>	4,235
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>58,108</b>	98,066
<hr/>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss		<b>4,074</b>	6,166
Trade receivables	12	<b>31,999</b>	48,858
Other receivables		<b>5,059</b>	5,068
Prepayments and other current assets		<b>101,543</b>	6,766
Cash and cash equivalents		<b>166,528</b>	246,473
		<hr/>	<hr/>
<b>Total current assets</b>		<b>309,203</b>	313,331
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>367,311</b>	411,397
		<hr/> <hr/>	<hr/> <hr/>

		<b>30 June 2025</b>	31 December 2024
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the Company			
Share capital		<b>3,011</b>	3,011
Reserves		<b>331,101</b>	349,164
		<b>334,112</b>	352,175
Non-controlling interests		<b>(704)</b>	(704)
<b>TOTAL EQUITY</b>		<b>333,408</b>	351,471
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	13	<b>12,927</b>	4,593
Other payables and accrued expenses		<b>2,702</b>	30,832
Lease liabilities		<b>600</b>	1,037
Contract liabilities		<b>927</b>	927
Income tax payables		<b>16,747</b>	15,898
<b>Total current liabilities</b>		<b>33,903</b>	53,287
<b>Non-current liability</b>			
Bank borrowing		<b>–</b>	6,639
<b>Total non-current liability</b>		<b>–</b>	6,639
<b>TOTAL LIABILITIES</b>		<b>33,903</b>	59,926
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>367,311</b>	411,397
<b>NET CURRENT ASSETS</b>		<b>275,300</b>	260,044

## NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 1. GENERAL INFORMATION

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

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

### 2. BASIS OF PREPARATION

This interim financial information is unaudited and has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). It was authorised for issue on 30 August 2025.

This interim financial information should be read in conjunction with the 2024 annual financial statements, which were prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) (including all HKFRSs, HKASs and Interpretations). The accounting policies (including the critical judgements made by the Directors in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of this interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2024.

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

The accounting policies applied in this interim financial information are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2024. In the current interim period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective from 1 January 2025 but these developments do not have a material effect on this interim financial information.

A number of new HKFRSs and amendments to HKFRSs are effective from 1 January 2025 and earlier application is permitted. The Group has not early adopted any new HKFRSs or amendments to HKFRSs that are not effective for the current interim period.

#### 4. REVENUE

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

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Events operation and marketing income	18,244	20,542
Sports services income	–	1,814
	<u>18,244</u>	<u>22,356</u>
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
<b>Timing of revenue recognition</b>		
– At a point in time	18,244	22,356
– Over time	–	–
	<u>18,244</u>	<u>22,356</u>

Except for rental income from equipment under operating leases within sports services having revenue recognised over time covering the periods of sports-related competitions and other events, revenue recognised at a point in time for the six months ended 30 June 2025 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.

#### 5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Investment income from treasury products ( <i>note (a)</i> )	–	8,269
Interest income from loans to companies	–	2,511
Interest income from short-term bank deposits	3	4,355
Rental income from investment properties	–	609
Others	–	862
	<u>3</u>	<u>16,606</u>

*Note:*

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

## 6. OTHER GAIN/(LOSS), NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Exchange losses, net	(244)	(4,175)
Fair value changes on financial assets at fair value through profit or loss	–	(196)
Fair value changes on investment properties	–	563
Investment losses	(1,088)	–
Gain on disposal of subsidiary	9,121	–
Others	–	633
	<u>7,789</u>	<u>(3,175)</u>

## 7. SEGMENT INFORMATION

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

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

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

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

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

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

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

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



The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2025 and 2024 is as follows:

**Six months ended 30 June 2025**

	Events Operation and Marketing <i>RMB'000</i> (unaudited)	Sports Services <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Revenue	18,244	–	18,244
Cost of services	<u>(8,210)</u>	<u>–</u>	<u>(8,210)</u>
Segment results	<u>10,034</u>	<u>–</u>	10,034
Other income			3
Other gain, net			7,789
Net provision of impairment loss on other receivables			–
Net provision of impairment loss on trade receivables			(35,379)
Selling and distribution expenses			–
General and administrative expenses			(2,903)
Finance cost			(21)
Share of result of associate			208
Income tax expense			<u>(849)</u>
Loss for the period			<u><u>(21,118)</u></u>

Six months ended 30 June 2024

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

## 8. INCOME TAX EXPENSE

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

	Six months ended 30 June	
	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Hong Kong Profit Tax	849	619
PRC Corporate Income Tax	<u>–</u>	<u>37</u>
	<u><u>849</u></u>	<u><u>656</u></u>

Hong Kong Profit Tax is calculated at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the six months ended 30 June 2025.

PRC Corporate Income Tax has been provided at a rate of 25% for the six months end 30 June 2025.

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.

## 9. LOSS/(PROFIT) FOR THE PERIOD

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

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	173	81
Depreciation of right-of-use assets	431	315
Staff costs		
– Salaries, bonuses and allowances	625	1,798
– Retirement benefits scheme contributions	30	231
Net provision of impairment losses on other receivables	–	328
Net provision of impairment losses on trade receivables	35,379	252

## 10. DIVIDENDS

The Board of Directors does not recommend the payment of any dividend in respect of the six months ended 30 June 2025 and 2024.

## 11. (LOSS)/EARNING PER SHARE

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

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
(Loss)/profit attributable to owners of the Company		
(Loss)/profit for the purpose of calculating basic and diluted		
(loss)/earning per share	(21,118)	14,126
		Restated
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of		
calculating basic and diluted (loss)/earning per share	190,294	190,294

The computation of diluted (loss)/earning per share did not assume the exercise of the Company's outstanding share options as the exercise price of those share options was higher than the average market price for shares for the six months ended 30 June 2025 and 2024.

## 12. TRADE RECEIVABLES

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Trade receivables	83,460	64,939
Allowance for impairment of trade receivables	(51,461)	(16,081)
	<u>31,999</u>	<u>48,858</u>

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

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Within 1 month	—	—
1 to 3 months	18,368	48,858
4 to 6 months	—	—
7 to 12 months	13,631	—
Over 1 year	—	—
	<u>31,999</u>	<u>48,858</u>

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

## 13. TRADE PAYABLES

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Trade payables	<u>12,927</u>	<u>4,593</u>

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

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Within 1 month	—	—
1 to 3 months	8,334	—
4 to 6 months	—	—
7 to 12 months	—	—
Over 1 year	4,593	4,593
	<u>12,927</u>	<u>4,593</u>

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### GROUP OVERVIEW

In 2025, 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 catalyzing 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. This effort facilitates the construction of a closed-loop ecosystem spanning technology research and development (R&D), the commercialization of achievements, and industrial empowerment. Additionally, the Group is focused on the continuous development and expansion of the Events Operation and Marketing segment, as well as the Sports Services segment.

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. Besides, the Group is actively exploring opportunities that can provide stable returns to the shareholders of the Company.

### 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.

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 two business divisions which represented two reportable operating segments, namely:

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

## Revenue

The Group's revenue decreased by approximately 18.4% to RMB18.2 million for the six months ended 30 June 2025 from RMB22.4 million for the six months ended 30 June 2024, which was mainly due to the decrease in revenue from Event Operation and Marketing segment. Details based on reportable segments are as follows:

- Revenue of the Events Operation and Marketing segment decreased by approximately 11.2% to RMB18.2 million for the six months ended 30 June 2025 from RMB20.5 million for the six months ended 30 June 2024; and
- Revenue of the Sports Services segment decreased by approximately 100.0% to RMB Nil for the six months ended 30 June 2025 from RMB1.8 million for the six months ended 30 June 2024.

## Cost of Services

The Group's cost of services decreased by approximately 44.8% to RMB8.2 million for the six months ended 30 June 2025 from RMB14.9 million for the six months ended 30 June 2024, which was mainly due to the decrease in the cost of services for Event Operation and Marketing segment. Details based on reportable segments are as follows:

- Cost of the Events Operation and Marketing segment decreased by approximately 39.9% to RMB8.2 million for the six months ended 30 June 2025 from RMB13.7 million for the six months ended 30 June 2024; and
- Cost of the Sports Services segment decreased by 100.0% to RMB Nil for the six months ended 30 June 2025 from RMB1.2 million for the six months ended 30 June 2024.

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

As a result of the aforementioned factors, the Group recorded a gross profit of RMB10.0 million for the six months ended 30 June 2025 as compared to a gross profit of RMB7.5 million recorded for the six months ended 30 June 2024. The Group recognised a gross profit margin of 55.0% for the six months ended 30 June 2025 as compared to a gross profit margin of 33.5% for the six months ended 30 June 2024. Details based on reportable segments are as follows:

- As a result of the foregoing changes in revenue and cost of services of the Events Operation and Marketing segment, the gross profit for the Events Operation and Marketing segment amounted to RMB10.0 million for the six months ended 30 June 2025 as compared to a gross profit of RMB6.9 million recorded for the six months ended 30 June 2024. The Group recognised a gross profit margin of 55.0% for the six months ended 30 June 2025 as compared to a gross profit margin of 33.7% for the six months ended 30 June 2024. The change in gross profit was mainly due to increase in revenue and gross profit from “2025 Friendly Match between the University of Hong Kong Business Leaders Golf Team and the Cheung Kong Graduate School of Business Nanjing Hongyunlang Golf Team\*” (“2025香港大學商業領袖高球隊及長江商學院南京紅運郎高球隊友誼賽”); and

- As a result of the foregoing changes in revenue and cost of services of the Sports Services segment, the Group recorded a gross profit for the Sports Services segment of RMB Nil for the six months ended 30 June 2025 as compared to a gross profit of RMB0.6 million recorded for the six months ended 30 June 2024. The Group recognised a gross profit margin of Nil for the six months ended 30 June 2025 as compared to a gross profit margin of 33.3% for the six months ended 30 June 2024. The change in the gross profit was mainly due to no revenue was generated from Sports Services segment for the six months ended 30 June 2025.

### **Selling and Distribution Expenses**

No selling and distribution expenses incurred during the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB2,000).

### **General and Administrative Expenses**

The Group's general and administrative expenses decreased by approximately 40.8% to RMB2.9 million for the six months ended 30 June 2025 from RMB4.9 million for the six months ended 30 June 2024. The decrease was mainly due to the decrease of the Group's operating expenses including but not limited to the legal and professional fee.

### **Other Income**

The Group's other income decreased by approximately 100.0% to RMB3,000 for the six months ended 30 June 2025 from RMB16.6 million for the six months ended 30 June 2024. The decrease was mainly due to no income from the treasury products purchased from reputable financial institutions and in the interest income from short-term bank deposit and loans to companies was generated for the six months ended 30 June 2025.

### **Other Gain/(Loss), Net**

The Group recorded a net other gain of RMB7.8 million for the six months ended 30 June 2025 as compared to a net other loss of RMB3.2 million recorded for the six months ended 30 June 2024. The change was mainly due to RMB9.1 million gain on disposal of subsidiary was recognised for the six months ended 30 June 2025, while no gain on disposal of subsidiary was recorded for the six months ended 30 June 2024.

### **(Loss)/Profit before Tax**

As a result of the foregoing, the Group recognized a loss before tax of RMB20.3 million for the six months ended 30 June 2025 as compared to a profit before tax of RMB14.8 million for the six months ended 30 June 2024.

### **Income Tax Expense**

The Group's income tax expense amounted to RMB0.8 million for the six months ended 30 June 2025 from RMB0.7 million was recorded for the six months ended 30 June 2024. The increase was mainly due to the Group had more taxable gains.



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

As a result of the foregoing, the Group recognized the loss attributable to the owners of the Company of RMB21.1 million for the six months ended 30 June 2025 as compared to the profit attributable to the owners of the Company of RMB14.1 million for the six months ended 30 June 2024.

### **Other Comprehensive Income/(Expense)**

The Group recorded other comprehensive income of RMB3.3 million for the six months ended 30 June 2025 as compared to an other comprehensive expense of RMB1.1 million recorded for the six months ended 30 June 2024. The change was mainly due to less other comprehensive expense for the period regarding the financial assets at fair value through other comprehensive income was recognised for the six months ended 30 June 2025.

### **Cash Flow**

As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB166.5 million compared with that of RMB246.5 million as at 31 December 2024. The cash and cash equivalents are denominated in Hong Kong dollars, United States dollars and British pound sterling but presented in the functional currency of RMB by the Group.

### **Working Capital**

The Group's net current assets increased by approximately 5.9% to RMB275.3 million as at 30 June 2025 from RMB260.0 million as at 31 December 2024. The Group maintained a stable net current asset value and a relatively high level of working capital that can adequately meet the daily working capital requirements and finance the business development.

### **Capital Expenditure**

The Group's total spending on the acquisition of property, plant and equipment amounted to RMB Nil for the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB0.51 million).

### **Bank Borrowings**

The Group had no bank borrowings as at 30 June 2025 (31 December 2024: RMB6.6 million). The decrease of bank borrowings was due to the disposal of subsidiary during the period.

### **Foreign Exchange**

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

## **Treasury Policies**

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

## **Financial Ratios**

The current ratio of the Company as at 30 June 2025 is approximately 912.0% (as at 31 December 2024: 588.0%) and it represents a ratio of current assets to current liabilities. As at 30 June 2025, the Group recorded a net cash position (as at 31 December 2024: the Group recorded a net cash position). Hence, the gearing ratio is not applicable to the Company as at 30 June 2025 (as at 31 December 2024: not applicable) as such ratio is calculated as net debt (total bank borrowings less cash and cash equivalents) divided by total equity.

## **LIQUIDITY AND FINANCIAL RESOURCES OF THE GROUP**

In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with banks. As at 30 June 2025, the Group had net current assets of RMB275.3 million (31 December 2024: RMB260.0 million), of which cash and cash equivalents amounted to RMB166.5 million (31 December 2024: RMB246.5 million). The cash and cash equivalents are denominated in Hong Kong dollars, United States dollars and British pound sterling but presented in the functional currency of RMB by the Group. As at 30 June 2025, the Group had no bank borrowings (31 December 2024: RMB6.6 million).

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

The Group has not experienced any material impact or effect on its operations or liquidity as a result of fluctuations in foreign exchange rates for the six months ended 30 June 2025, nor has the Group used any financial instruments for hedging purposes as the risk of exposure to fluctuations in exchange rates is comparatively low.

## **CAPITAL STRUCTURE OF THE GROUP**

The number of issued ordinary shares of the Company (the “**Shares**”) as at 30 June 2025 was 190,294,200 Shares (31 December 2024: 190,294,200 Shares).

### **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 alternation in the capital structure of the Group for the six months ended 30 June 2025.

### **CHARGE ON ASSETS**

As at 30 June 2025, there was no charge on the Group’s assets.

### **CONTINGENT LIABILITIES**

As at 30 June 2025, the Company had no material contingent liabilities.

### **INTERIM DIVIDEND**

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities for the six months ended 30 June 2025.

## EVENTS AFTER THE REPORTING PERIOD

### Resignation of executive directors of the Company

On 28 July 2025, the Board announced that Ms. Ren Wen has ceased to be an executive Director and has ceased to act as the Co-Chairlady of the Board; and Mr. Sheng Jie has ceased to be an executive Director and has ceased to act as the Vice President of the Board with effect from 29 July 2025. Please refer to the announcement of the Company dated 28 July 2025 for details.

Save as disclosed in this announcement, to the best knowledge of the Directors, there was no significant event after 30 June 2025 that will have a material impact on the operation or financial position of the Group.

## CORPORATE GOVERNANCE CODE

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

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

The Board is of the view that throughout the six months ended 30 June 2025 the Company has fully complied with the applicable principles and code provisions as set out in Part 2 of the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules as the code of conduct regarding directors’ securities transactions. Specific enquiry has been made with all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code throughout the six months ended 30 June 2025.

The Company has also established written guidelines no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company throughout the six months ended 30 June 2025.

## AUDIT COMMITTEE

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

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

The interim results of the Group for the six months ended 30 June 2025 are unaudited and have not been reviewed by the external auditor of the Company. The Audit Committee has reviewed together with the Company’s management the accounting principles and practices adopted by the Group and financial reporting matters including a review of the unaudited consolidated interim results of the Group for the six months ended 30 June 2025. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

## PUBLICATION OF 2025 INTERIM RESULTS AND 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://1661.hk/>), and the 2025 interim report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board  
**China Frontier Technology Group**  
**Ren Song**  
*Co-chairlady and Executive Director*

Hong Kong, 29 August 2025

*As at the date of this announcement, the executive Directors of the Company are Mr. Wong Man Keung, Ms. Ren Song, Mr. Chang Hai Song, Ms. Wang Jie and Ms. Zhang Panpan; and the independent non-executive Directors of the Company are Ms. Leung Hiu Man, Ms. Gao Wenjuan, Mr. Wu Mingcong and Ms. Peng Xiaoliu.*

\* For identification purpose only