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01661.HK

**中國前沿科技集團**

China Frontier Technology Group

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1661)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

### CONSOLIDATED RESULTS

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of China Frontier Technology Group (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	223,487	78,066
Cost of services		(200,959)	(67,929)
<b>Gross profit</b>		<b>22,528</b>	10,137
Other income	5	88	4,041
Other gain or loss	6	(1,845)	3,092
Net provision of impairment losses on trade receivables		(49,817)	(3,451)
Net provision of impairment losses on other receivables		(1,693)	(19,491)
Gains on disposal of subsidiaries	7	10,043	–
Selling and distribution expenses		(26)	(4,322)
General and administrative expenses		(8,461)	(34,670)
<b>Loss from operations</b>		<b>(29,183)</b>	(44,664)
Finance costs		(46)	(481)
Share of results of associates		–	(415)
<b>Loss before tax</b>		<b>(29,229)</b>	(45,560)
Income tax expense	9	(3,517)	(7,053)
<b>Loss for the year</b>	10	<b>(32,746)</b>	(52,613)
Attributable to:			
Owners of the Company		(32,738)	(52,582)
Non-controlling interests		(8)	(31)
		<b>(32,746)</b>	(52,613)

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Other comprehensive expense</b>			
<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)		<b>(22,789)</b>	(3,170)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(1,049)</b>	(1,172)
<b>Other comprehensive expense for the year, net of tax</b>		<b>(23,838)</b>	(4,342)
<b>Total comprehensive expense for the year</b>		<b>(56,584)</b>	(56,955)
Attributable to:			
Owners of the Company		<b>(56,576)</b>	(56,924)
Non-controlling interests		<b>(8)</b>	(31)
		<b>(56,584)</b>	(56,955)
			Restated
<b>Loss per share attributable to owners of the Company</b>	<i>12</i>		
Basic and diluted		<b>RMB(0.17)</b>	RMB(0.28)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Note	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		101	724
Right-of-use assets		142	1,020
Investment properties		–	38,975
Financial assets at fair value through other comprehensive income		30,209	53,112
Interests in associates		–	4,235
<b>Total non-current assets</b>		<u>30,452</u>	<u>98,066</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss		–	6,166
Trade receivables	13	76,787	48,858
Other receivables		7,292	5,068
Prepayments and other current assets		97,496	6,766
Cash and bank balance		155,487	246,473
<b>Total current assets</b>		<u>337,062</u>	<u>313,331</u>
<b>TOTAL ASSETS</b>		<u><u>367,514</u></u>	<u><u>411,397</u></u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		3,011	3,011
Reserves		292,588	349,164
<b>Equity attributable to owners of the Company</b>		<u>295,599</u>	352,175
Non-controlling interests		–	(704)
<b>TOTAL EQUITY</b>		<u><u>295,599</u></u>	<u><u>351,471</u></u>

	<i>Note</i>	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	<i>14</i>	<b>60,253</b>	4,593
Other payables and accrued expenses		<b>2,363</b>	30,832
Borrowings		<b>5,000</b>	–
Lease liabilities		<b>148</b>	1,037
Contract liabilities		<b>889</b>	927
Income tax payables		<b>3,262</b>	15,898
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>71,915</b>	53,287
		<hr/>	<hr/>
<b>Non-current liability</b>			
Bank borrowing		–	6,639
		<hr/>	<hr/>
<b>Total non-current liability</b>		–	6,639
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>71,915</b>	59,926
		<hr/> <hr/>	<hr/> <hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>367,514</b>	411,397
		<hr/> <hr/>	<hr/> <hr/>
<b>NET CURRENT ASSETS</b>		<b>265,147</b>	260,044
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2025

### 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**”). 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.

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 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 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the 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 <sup>2</sup>
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> 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 Presentation and Disclosure in 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, 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.

### *HKFRS 19 Disclosures by Subsidiaries that Do Not Have Public Accountability*

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS accounting standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments, in their specified financial statements.

### *Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments*

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

### *Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

### *Amendments to HKAS 21 Translation to a Hyperinflationary Presentation Currency*

Amendments to HKAS 21 Translation to a Hyperinflationary Presentation Currency require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

### *Annual Improvements to HKFRS Accounting Standards – Volume 11 Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 Financial Instruments: Disclosures:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 Financial Instruments:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 Consolidated Financial Statements:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 Statement of Cash Flows:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

#### 4. REVENUE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Events operation and marketing income	211,435	27,460
Trading business income	<u>12,052</u>	<u>50,606</u>
	<u><u>223,487</u></u>	<u><u>78,066</u></u>

  

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Timing of revenue recognition</b>		
– At a point in time	<u><u>223,487</u></u>	<u><u>78,066</u></u>

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 and functional materials.

#### 5. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	87	2,446
Rental income	–	802
Others	<u>1</u>	<u>793</u>
	<u><u>88</u></u>	<u><u>4,041</u></u>

## 6. OTHER GAIN OR LOSS

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Exchange (losses)/gains, net	<b>(1,391)</b>	572
Fair value changes on financial assets at fair value through profit or loss	–	894
Gain on disposal of property, plant and equipment	–	323
Fair value changes on investment properties	–	803
Others	<b>(454)</b>	500
	<u><b>(1,845)</b></u>	<u>3,092</u>

## 7. GAINS ON DISPOSAL OF SUBSIDIARIES

	<b>2025</b>
	<b><i>RMB'000</i></b>
Disposal consideration	
– Satisfied by cash	<u>48,949</u>
Total consideration	<u><b>48,949</b></u>
Less:	
– Total net assets of subsidiaries disposed of	<u>38,906</u>
Gains on disposals	<u><b>10,043</b></u>
Cash proceeds from disposals, net of cash disposed of	
– Less: cash and cash equivalents in the subsidiaries disposed of	<u>(723)</u>
Net cash inflow on disposals	<u><b>48,226</b></u>

## 8. 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 business.

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) and functional materials (a new business in 2025).

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 trade receivables, gains on disposal of subsidiaries 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.

The segment information provided to the CODM for the reportable segments for the years ended 31 December 2025 and 2024 is as follows:

**Year ended 31 December 2025**

	<b>Event Operation and Marketing <i>RMB'000</i></b>	<b>Trading Business <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
Revenue	211,435	12,052	223,487
Cost of services	<u>(189,284)</u>	<u>(11,675)</u>	<u>(200,959)</u>
Segment results	<u>22,151</u>	<u>377</u>	22,528
Other income			88
Other gain or loss			(1,845)
Selling and distribution expenses			(26)
General and administrative expenses			(8,461)
Gains on disposal of subsidiaries			10,043
Net provision of impairment losses on trade receivables			(49,817)
Net provision of impairment losses on other receivables			(1,693)
Finance costs			(46)
Income tax expense			<u>(3,517)</u>
Loss for the year			<u><u>(32,746)</u></u>

Year ended 31 December 2024

	Event Operation and Marketing <i>RMB'000</i>	Sports Services <i>RMB'000</i>	Trading Business <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue	27,460	–	50,606	78,066
Cost of services	<u>(20,440)</u>	<u>(1,423)</u>	<u>(46,066)</u>	<u>(67,929)</u>
Segment results	<u>7,020</u>	<u>(1,423)</u>	<u>4,540</u>	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				<u>(7,053)</u>
Loss for the year				<u><u>(52,613)</u></u>

### 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	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PRC	12,052	94	51	–
Hong Kong	211,435	77,972	192	1,744
United Kingdom (“UK”)	<u>–</u>	<u>–</u>	<u>–</u>	<u>38,975</u>
	<u><u>223,487</u></u>	<u><u>78,066</u></u>	<u><u>243</u></u>	<u><u>40,719</u></u>

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

Revenue from major customers:

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A <sup>1</sup>	–*	13,683
Customer B <sup>1</sup>	–*	13,683
Customer C <sup>1</sup>	<b>117,158</b>	–*
Customer D <sup>1</sup>	<b>75,970</b>	–*
Customer E <sup>2</sup>	–*	50,606
	<u>                    </u>	<u>                    </u>

<sup>1</sup> Revenue relating to events operation and marketing.

<sup>2</sup> Revenue relating to trading business.

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

## 9. INCOME TAX EXPENSE

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
United Kingdom corporate tax	–	(297)
Hong Kong corporate tax	<b>(3,513)</b>	–
PRC Enterprise Income Tax (“EIT”)		
– Withholding tax	<b>(4)</b>	(36)
	<u>                    </u>	<u>                    </u>
	<b>(3,517)</b>	(333)
Deferred tax expenses	–	(6,720)
	<u>                    </u>	<u>                    </u>
	<b>(3,517)</b>	(7,053)
	<u>                    </u>	<u>                    </u>

Under the two-tiered Profits Tax regime, Hong Kong profits tax has been provided at the rate of 8.25% on the first two million Hong Kong dollars estimated assessable profits for the year. The estimated assessable profits above that amount will continue to be subject to the tax rate of 16.5%. 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.

No provision for United Kingdom Profits Tax was required since the Group had no assessable profits in the United Kingdom for the years ended 31 December 2025 (2024: 25%).

Under the Law of the PRC Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, income tax has been provided at a rate of 25% (2024: 25%), except a wholly owned subsidiary of the Group, was qualified for the Announcement on Tax Policies to Further Support the Development of Small and Micro Enterprises and Individual Businesses (Ministry of Finance and State Taxation Administration Announcement No. 12 2023), as small low-profit enterprises, eligible for calculating taxable income at a reduced rate of 25% and paying corporate income tax at a 20% rate. This preferential policy will remain in effect until December 31, 2027.

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.

## 10. LOSS BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of services		
– events operation expenses	189,284	16,831
– staff costs	–	287
Cost of inventories utilised	11,671	46,001
Depreciation of property, plant and equipment	300	254
Depreciation of right-of-use-assets	864	718
Staff costs		
– Salaries, bonuses and allowances	1,290	4,219
– Retirement benefit scheme contributions	90	335
Auditor's remuneration	686	718
Event service fee	–	14,139
Travelling expenses	57	1,286
Legal and professional fee	1,054	5,762
	<u>1,054</u>	<u>5,762</u>

## 11. DIVIDENDS

The Board of Directors does not recommend the payment of any dividend in respect of the years ended 31 December 2025 and 2024.

## 12. LOSS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Loss attributable to owners of the Company</b>		
Loss for the purposes of calculating basic and diluted loss per share	<u>(32,738)</u>	<u>(52,582)</u>
	2025 <i>'000</i>	2024 <i>'000</i> (restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	<u>190,294</u>	<u>190,294</u>

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 2025 and 2024.

### 13. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	128,352	64,939
Allowance for impairment of trade receivables	<u>(51,565)</u>	<u>(16,081)</u>
	<u><b>76,787</b></u>	<u><b>48,858</b></u>

The Group generally allows an average credit period of 180 days (2024: 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	67,865	–
1 to 3 months	8,922	48,858
4 to 6 months	–	–
7 to 12 months	–	–
Over 1 year	<u>–</u>	<u>–</u>
	<u><b>76,787</b></u>	<u><b>48,858</b></u>

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

### 14. TRADE PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<u><b>60,253</b></u>	<u><b>4,593</b></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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	58,176	–
1 to 3 months	2,077	–
4 to 6 months	–	–
7 to 12 months	–	–
Over 1 year	<u>–</u>	<u>4,593</u>
	<u><b>60,253</b></u>	<u><b>4,593</b></u>

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### GROUP OVERVIEW

In 2025, China Frontier Technology Group (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) continued to develop on the basis of its existing operations, while gradually expanding into new areas in response to evolving market conditions. Events operation and marketing remained the foundation, with a continued focus on golf events and other commercial events. This segment continues to form a core part of the business, and the Group will continue to develop and expand its presence in this area by actively sourcing different events, with a view to enhancing returns for shareholders of the Company.

During the year 2025, the Group was involved in the organisation and promotion of various events, including golf tournaments and business forums. Illustrative examples include the “港大科企高爾夫球隊暨張增繼一桿進洞邀請賽” \* (HKUST Technology Enterprises Golf Team Invitational Tournament (Zhang Zengji Hole-in-One Invitational)) and the “第二屆香港人工智能與前沿科技論壇” \* (The 2nd Hong Kong Artificial Intelligence and Frontier Technology Forum), which brought together participants from different sectors, including academic, industry and investment communities, and provided platforms for business exchange and collaboration. These events reflect the Group’s ongoing efforts to leverage its events platform to facilitate interaction among industry participants.

Building on this foundation, the scope of activities has also extended to include business-oriented forums, particularly in areas related to artificial intelligence and frontier technology. These initiatives have further strengthened the Group’s ability to identify market trends and potential business opportunities through engagement with industry participants.

Trading business have also continued to be developed as part of the Group’s business. During the year, the Group explored trading opportunities in functional materials, taking into account market demand for products used in applications including consumer electronics, automobiles and other intelligent devices.

The Group trades functional materials with specific properties that are used across a range of end use applications. To develop this segment, the Group has sourced these materials from suppliers and supplied them to customers and distribution channels, thereby participating in multiple stages of the value chain.

The functional materials are composite materials formed by integrating polymer coatings with specific functionalities, such as adhesion, conductivity, heat dissipation, electromagnetic shielding, insulation, water resistance, onto various substrate carriers, such as PET film, PI film, copper foil, conductive fabrics, through precision coating processes. The core products are electromagnetic interference (EMI) shielding materials, thermal materials, re-workable materials and buffering materials, which are widely adopted materials in smartphones, laptops, automobiles, high-speed rail batteries, display modules, humanoid robots and other AI-enabled smart devices. This initiative represents an initial step toward expanding the Group’s trading operations and diversifying its business activities.

Looking ahead, the Group will continue to build on its events operations as a foundation while actively developing its functional materials trading business. By diversifying its operations, the Group expects to generate more sustainable income, strengthen the overall resilience of the business, and improve returns for the Company's shareholders.

## **OUTLOOK OF THE INDUSTRY AND THE GROUP**

The Group trades functional materials products designed with specific properties for targeted applications across a wide range of end uses. By sourcing these materials from different suppliers and distributing them through both direct sales and established distribution channels, the Group is positioning itself within multiple points of the materials value chain. These activities not only create new revenue streams but also deepen the Group's technical and commercial understanding of high value specialty inputs, laying the groundwork for stronger supplier and customer relationships.

This initial expansion into trading represents a strategic move to diversify the Group's business model beyond its core events operations. Entering the functional materials market allows the Group to leverage existing commercial capabilities such as logistics, client management, and contract negotiation while developing new competencies in product specification, quality assurance, and regulatory compliance. Over time, the Group can scale this arm by broadening product offerings, refining target markets, and integrating value added services such as technical support, custom formulation, or inventory management for customers.

Looking forward, the Group intends to maintain events operations as its foundational business while actively growing the functional materials trading segment. This dual focus strategy aims to reduce reliance on any single revenue source and create more consistent, sustainable income streams across economic cycles. By strengthening the overall resilience of the business and enhancing long term profitability, the Group anticipates delivering improved returns and greater value to the Company's shareholders.

## **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 especially golf events and business forums. Its revenue includes mainly corporate sponsorship income; and
- (b) the Trading business segment, which mainly involves the trading of functional materials.

## Revenue

The Group's revenue increased by approximately 186.3% to RMB223.49 million for the year ended 31 December 2025 from RMB78.07 million for the year ended 31 December 2024. The increase was mainly due to the increase in the income generated from events operation and marketing income. Details based on reportable segments are as follows:

- Revenue of the Events Operation and Marketing segment increased by approximately 670.0% to RMB211.44 million for the year ended 31 December 2025 from RMB27.46 million for the year ended 31 December 2024. This increase was mainly due to a greater number of golf events and business forums hosted during the year ended 31 December 2025;
- Revenue of trading business segment decreased by approximately 76.2% to RMB12.05 million for the year ended 31 December 2025 from RMB50.60 million for the year ended 31 December 2024. The decrease was due to the Company's shift in focus to trading functional materials in December 2025.

## Cost of Services

The Group's cost of services increased by approximately 195.8% to RMB200.96 million for the year ended 31 December 2025 from RMB67.93 million for the year ended 31 December 2024. The increase was mainly due to the increase in cost of events operation and marketing. Details based on reportable segments are as follows:

- Cost of the Events Operation and Marketing segment increased by approximately 826.0% to RMB189.28 million for the year ended 31 December 2025 from RMB20.44 million for the year ended 31 December 2024. This increase was mainly due to a greater number of golf events and business forums hosted during the year ended 31 December 2025; and
- Cost of the trading business segment decreased by approximately 74.6% to RMB11.68 million for the year ended 31 December 2025 from RMB46.07 million for the year ended 31 December 2024.

## Gross Profit Margin

As a result of the aforementioned factors, the Group recorded a gross profit of RMB22.53 million for the year ended 31 December 2025 as compared to a gross profit of RMB10.14 million recorded for the year ended 31 December 2024. The Group recognised a gross profit margin of 10% for the year ended 31 December 2025 as compared to a gross profit margin of 13% for the year ended 31 December 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 Group recorded a gross profit for the Events Operation and Marketing segment of RMB22.15 million for the year ended 31 December 2025 as compared to a gross profit of RMB7.02 million recorded for the year ended 31 December 2024. The Group recognised a gross profit margin of 10.5% for the year ended 31 December 2025 as compared to a gross profit margin of 25.6% for the year ended 31 December 2024. The decrease in gross margin resulted from intensified competition in the event operation and marketing business; and

- As a result of the foregoing changes in revenue and cost of services of the trading business segment, the gross profit of the Group decreased by approximately 91.9% to RMB0.37 million for the year ended 31 December 2025 from RMB4.54 million for the year ended 31 December 2024, and the gross profit margin decreased to approximately 3.1% for the year ended 31 December 2025 from approximately 9.0% for the year ended 31 December 2024. The decrease was due to the Company's shift in focus to trading functional materials in December 2025, which have a lower gross profit margin compared with other products.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses decreased by approximately 99.3% to RMB0.03 million for the year ended 31 December 2025 from RMB4.32 million for the year ended 31 December 2024. 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 75.6% to RMB8.46 million for the year ended 31 December 2025 from RMB34.67 million for the year ended 31 December 2024. The decrease was mainly due to the decrease in labour costs and professional expenses in the Group's general and administrative expenses.

### **Other Income**

The Group's other income decreased by approximately 97.8% to RMB0.09 million for the year ended 31 December 2025 from RMB4.04 million for the year ended 31 December 2024. 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 159.9% to a net loss of RMB1.85 million for the year ended 31 December 2025 from the net gain of RMB3.09 million for the year ended 31 December 2024. The loss in other gain or loss was mainly due to the exchange loss of approximately RMB1,391,000 during the year (2024: exchange gain of approximately RMB572,000). Also, no fair value changes on financial assets at fair value through profit or loss was recognised during the year (2024: fair value changes on financial assets at fair value through profit or loss of approximately RMB894,000 profit was recognised).

### **Loss before Income Tax**

As a result of the foregoing, the Group's loss before income tax decreased by approximately 35.84% to RMB29.23 million for the year ended 31 December 2025 from RMB45.56 million for the year ended 31 December 2024.

## **Income Tax Expense**

The Group's income tax expense decreased by 50.1% to RMB3.52 million for the year ended 31 December 2025 from RMB7.05 million for the year ended 31 December 2024. The decrease was due to the decrease 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 37.7% to RMB32.74 million for the year ended 31 December 2025 from RMB52.58 million for the year ended 31 December 2024.

## **Cash Flow**

As at 31 December 2025, the Group's cash and bank balances amounted to approximately RMB155.49 million as compared to that cash and bank balances of approximately RMB246.47 million as at 31 December 2024.

## **Working Capital**

The Group's net current assets increased by approximately 2.0% to RMB265.15 million as at 31 December 2025 from RMB260.04 million as at 31 December 2024. The current asset value of the Group remained stable and 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 RMB0.05 million and RMBnil respectively for the year ended 31 December 2025 (year ended 31 December 2024: RMB1 million and RMBnil respectively).

## **Borrowings**

The Company had borrowings of RMB5.00 million as at 31 December 2025 (year ended 31 December 2024: RMB6.64 million).

## **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 announcement, no option has been exercised.

The number of issued ordinary shares of the Company (the “**Shares**”) as at 31 December 2025 was 190,294,200 Shares (31 December 2024: 190,294,200 Shares). The authorised share capital of the Company as at 31 December 2025 was US\$1,000,000 divided into 400,000,000 Shares with par value of US\$0.0025 each (31 December 2024: US\$1,000,000 divided into 400,000,000 Shares with par value of US\$0.0025 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 announcement, 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.

There was no alteration in the capital structure of the Group for the year ended 31 December 2025.

## **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 2025, there was no charge on the Group's assets (2024: Nil).

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Company had no material contingent liabilities (2024: Nil).

## **DIVIDENDS**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil). The Company did not declare payment of an interim dividend for the six months ended 30 June 2025.

## **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 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

The AGM of the Company is expected to be held on Thursday, 25 June 2026. 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 Monday, 22 June 2026 to Thursday, 25 June 2026, 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, 18 June 2026 for registration.

## **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 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 2025, 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 2025, 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 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 year ended 31 December 2025.

## **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 announcement, the Audit Committee comprises three members, namely Ms. Leung Hiu Man (chairman), Ms. Gao Wenjuan and Ms. Peng Xiaoliu, 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 2025 and considers that the results are in compliance with generally accepted accounting principles as well as the applicable laws and regulations.

## **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 was appointed at the annual general meeting dated 30 June 2025.

Reference is made to the announcement of the Company dated 18 December 2025 and the supplemental announcement dated 27 January 2026, extraordinary general meeting poll result announcement dated 13 February 2026 and the circular dated 28 January 2026 in relation to, among other things, the Proposed Change of Auditor. Infinity CPA Limited (“**Infinity**”), the then auditor of the Company, has resigned as the auditor of the Company (“**Proposed Resignation**”) with effect from 18 December 2025. In the resignation letter of Infinity, Infinity stated that it resigned as the auditor of the Company since the Company and Infinity could not reach a consensus on the audit fee for the consolidated financial statements of the Group for the financial year ended 31 December 2025.

After considering (i) the audit proposal of Prism Hong Kong Limited (“**Prism**”); (ii) Prism’s experience, industry knowledge and technical competence in providing audit work for companies listed on the Stock Exchange; (iii) Prism’s independence from the Group and objectivity; (iv) Prism’s resources and capabilities including manpower and time; (v) the Guidance Notes on Change of Auditors issued by the Accounting and Financial Reporting Council; (vi) the lack of material differences in audit scope and team structure between Prism and other audit firms, which implies that audit quality can be maintained; and (vii) the fee quote from Prism being lower than those of Infinity and McMillan Woods, the Audit Committee has assessed and considered Prism to be independent, eligible, capable and suitable to act as the Auditor.

The Board, with the recommendation of the Audit Committee and the approval of the shareholders at the extraordinary general meeting of the Company appointed Prism as the new Auditor to fill the casual vacancy following the resignation of Infinity and to hold office until the conclusion of the next annual general meeting of the Company.

## **CHANGES IN ACCOUNTING POLICIES**

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.

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

### **Disposal of a Subsidiary**

On 24 December 2025, the Company (acting through its wholly-owned subsidiary as the “**Vendor**”) entered into a sales and purchase agreement with Crestwell International Limited (the “**Purchaser**”), an independent third party, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of Torch Media Co., Ltd. (the “**Target Company**”), for a consideration of HK\$8 million. Concurrently, a prepayment with an aggregate book value of approximately RMB96,230,400 (equivalent to HK\$105,759,000) currently held by the Target Company and its subsidiaries shall be assigned to Shenzhen Qianke Innovation Intelligent (Shenzhen) Co., Ltd., a subsidiary of the Company. Upon completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements

of the Group. The Group expects to recognise an estimated net loss of approximately RMB46.2 million from the Disposal. The net proceeds from the Disposal, after deducting related expenses, are approximately HK\$8 million, which are intended to be used as general working capital of the Group.

Please refer to the Company's announcement dated 24 December 2025 for further details.

Save as disclosed in this announcement, the Company had no other significant investment, acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2025 and, as at the date of this announcement, has no specific plans for significant investment or acquisition of material capital assets in the future.

## **Prepayment**

On 11 March 2025, a procurement contract for the acquisition of the equipment was entered into between Frontier Artificial Intelligence (Shenzhen) Co., Ltd.\* (前沿人工智能(深圳)有限公司) (the “**Equipment Purchaser**”), a company established in the PRC and an indirect wholly-owned subsidiary of China Frontier Technology Group (the “**Company**”) principally engaged in live broadcasting and marathon timing services in the PRC, and Super Intelligent Technology Holdings (Shenzhen) Co., Ltd.\* (超智科技控股(深圳)有限公司) (the “**Equipment Vendor**”), which is a company established in the PRC and is principally engaged in the provision of liquid cooling equipment and liquid cooling solutions in the PRC for the sale and purchase of 96 sets of liquid cooling equipment (the “**Equipment**”) for a consideration of RMB96,230,400 (the “**Procurement Contract**”). The Equipment is expected to be delivered to the Equipment Purchaser on 31 December 2025. It is considered that this batch of Equipments consists of complex technology and limited market availability. The Supplier requested full advance payment to secure sourcing capacity and prioritize scheduling. As advised by the Equipment Vendor and to the best knowledge of the Company, this practice is customary within the industry for procuring high-end technological equipment, aimed at ensuring priority supply and technical support. Therefore, a 100% up-front refundable payment (the “**Advance Payment**”) was made by the Equipment Purchaser in March 2025 pursuant to the terms of the Procurement Contract and as supplemented by the supplemental agreement.

As the Equipment is high-tech and customized, the Equipment Vendor requires additional time for sourcing, testing, and debugging leading to an extended delivery timeline. The Equipment Purchaser entered supplemental agreements with the Equipment Vendor to extend the delivery date to 31 December 2025 and documented the refund mechanism on 23 July 2025 and 13 August 2025 respectively. Also, in order to ensure the Advance Payment would be refunded to the Company in the event the Equipment Vendor fails to deliver the Equipments to the Company, the Company has strengthened its position by establishing well-defined refund mechanisms in the contract and retains the right to seek legal remedies for recovery. The Equipments were returned to the Equipment Vendor and the Procurement Contract was mutually agreed to be terminated because the Equipment Vendor delivered an insufficient quantity during the relevant period and the transaction was delayed for a long time, and the Company had received the Advance Payment as at the date of this announcement.

## **1. Listing Rules implication**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Advance Payment is more than 25% but are less than 100%, the Advance Payment constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholder's approval requirements under Chapter 14 of the Listing Rules.

As at 30 June 2024, the assets ratio for the Advance Payment had exceeded 8% based on the total assets of the Company as at 30 June 2024 and therefore the provision of the Advance Payment was subject to the announcement requirement under Rule 13.13 of the Listing Rules.

### **Reasons for the breach of the Listing Rules and remedial measures**

Due to an inadvertent oversight of the Company, the Company was not aware the Advance Payment constituting as a major transaction as well as an advance to an entity. The Advance Payment had not been announced by the Company in a timely manner in accordance with the Listing Rules which constituted a breach of the relevant rules under Chapters 13 and 14 of the Listing Rules at the material time.

The Board has taken the following immediate actions to avoid the re-occurrence of similar incidents;

1. The Company will delegate the executive Director, Ms. Ren Song, and the company secretary of the Company (the "**Company Secretary**") to oversee and monitor the Company's disclosure requirements regarding various transactions. They will assist the Board in implementing the remedial actions discussed below.
2. The Company will appoint a legal adviser as an external consultant when conducting material transactions to ensure compliance with the Listing Rules.

To ensure the compliance of the Listing Rules and the avoidance of reoccurrence of similar incidents, the Company will gradually implement the below remedial actions during the fourth quarter of 2025.

- a. Each subsidiary of the Company will be required to submit a monthly contract summary (including unsigned and signed agreements, counterparties to the agreements and details of relevant transactions) to the finance department and the company secretary department of the Company. The finance department and the company secretary department of the Company are responsible for checking whether there is any connected transaction implication under Chapter 14A of the Listing Rules and calculating the size tests. The Company Secretary will prepare the relevant size test pursuant to the Chapter 14 of the Listing Rules. All the relevant documents will be reviewed and approved by the Board before the execution;

- b. If the Group is planning to conduct a transaction, the relevant agreement, announcement and other supporting documents will be reviewed by the finance department and the company secretary department of the Company. The transaction documents will be provided for the Board's final review and approval;
- c. An internal training session will be arranged for all the Directors and senior management/relevant personnel of the Company and its subsidiaries to explain the requirements under Chapters 13, 14 and 14A of the Listing Rules.

## **SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD**

Save as disclosed in this announcement, 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 announcement which the Board is aware of.

## **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 2025 and as at the Latest Practicable Date, the Company has maintained sufficient public float as required under the Listing Rules.

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

This annual results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<http://www.wisdomsports.com.cn>), and the 2025 annual report of the Company, containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company who have elected to receive printed copies and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**China Frontier Technology Group**  
**Ren Song**  
*Chairlady and Executive Director*

Hong Kong, 30 March 2026

*As at the date of this announcement, the executive Directors are Ms. Ren Song, Ms. Zhang Panpan and Ms. Zhang Yingzhao; and the independent non-executive directors of the Company are Ms. Gao Wenjuan, Ms. Leung Hiu Man and Ms. Peng Xiaoliu.*

\* *For identification purpose only*