



**WISDOM**

**WISDOM  
SPORTS GROUP  
智美體育集團**

**Stock Code:1661**

(Incorporated in the Cayman Islands with limited liability)

智其身心  
享其体魄

**2022  
INTERIM  
REPORT**



# 为健康 为快乐

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# Corporate Information

## EXECUTIVE DIRECTORS

Ms. Ren Wen (also known as Ms. Ren Guozun) (*Chairlady*)  
Mr. Sheng Jie (*Vice Chairman*)  
Mr. Song Hongfei (*President*)  
Ms. Hao Bin

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chen Zhijian  
Mr. Ip Kwok On Sammy  
Mr. Jin Guoqiang

## AUDIT COMMITTEE

Mr. Chen Zhijian (*Chairman*)  
Mr. Jin Guoqiang  
Mr. Ip Kwok On Sammy

## REMUNERATION COMMITTEE

Mr. Jin Guoqiang (*Chairman*)  
Mr. Chen Zhijian  
Mr. Song Hongfei

## NOMINATION COMMITTEE

Ms. Ren Wen (*Chairlady*)  
Mr. Ip Kwok On Sammy  
Mr. Jin Guoqiang

## COMPANY SECRETARY

Ms. Hao Bin

## AUTHORISED REPRESENTATIVES

Ms. Hao Bin  
Mr. Sheng Jie

## COMPANY'S REGISTERED OFFICE

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

## COMPANY'S HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN PRC

7/F, Block 1  
No. 16, Xinyuanli  
Chaoyang District  
Beijing, PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon  
Hong Kong

## AUDITOR

Elite Partners CPA Limited  
*Certified Public Accountants*  
10/F, 8 Observatory Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

## HONG KONG LEGAL ADVISER

King & Wood Mallesons  
13th Floor  
Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Central  
Hong Kong

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG SHARE REGISTRAR

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

## WEBSITE

[www.wisdomsports.com.cn](http://www.wisdomsports.com.cn)

# Management Discussion and Analysis

## GROUP OVERVIEW

In the first half of 2022, the novel coronavirus (“**COVID-19**”) pandemic still raged and caused a huge impact in many first-tier cities in China, amidst which the sports industry was still struggling to carry out normal business despite with great effort to avoid the spread of the pandemic and health risks caused by crowd gathering.

While offline events were almost completely stagnant, Wisdom Sports Group (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) were still actively promoting events to satisfy sports enthusiasts. In the first half of the year, the Group successfully organized and completed the online events of the Shenzhen Marathon\* (深圳馬拉松) which lasted for three weeks, and different sports events were designed to meet the needs of runners. In connection with the events, the exhibition and broadcast event of “My Circle of Friends in Shenzhen Marathon” was launched, which gained unanimous recognition from the organizers, sponsors and runners, and made up for the regret that no offline event could be held.

In Tumushuke City, Xinjiang, where the pandemic was under control, the Group successfully organized the “National Fitness Games & Brisk Walking Activity in Tumushuke Corps of the 3rd Division” in the first half of the year, which was kicked off on 10 July 2022 and attracted nearly 1,000 players. Striving for the goal of “scientific pandemic prevention and public’s participation”, upholding the theme of “walking for fitness and happiness”, adopting a combined way of online and offline events, and through the integration of “sports + culture + tourism”, the Group successively held the Winter Olympics Science Exhibition, Square Dance Competition, Imposing Gongs and Drums Competition, Fun Games, Men’s Basketball League, CBA Friendly Match between Xinjiang Guanghui and Guangdong Hongyuan, etc., which deepened the participants’ understanding of Tumushuke City, tested the ability of event operators under scientific pandemic prevention, and promoted the construction of healthy China.

## OUTLOOK OF THE INDUSTRY AND THE GROUP

Since July 2022, the national pandemic situation has become stable, and the pandemic prevention policies were adjusted accordingly. With the holding of the Tianshan Marathon\* (天山馬拉松), all parties are full of longings and expectations for the long-awaited resumption of offline events. The Group is actively preparing for the online events of the Nanchang Marathon\* (南昌馬拉松), and at the same time, the Group is also closely communicating with local event organizers on the launch and preparation of the offline events in the second half of the year, in the hope of presenting more scientific, safe and bright events in the second half of the year to meet the needs of sports enthusiasts for sports events.

Against the backdrop of the severe winter for the sports industry, the Group has broadened its business ideas by actively carrying out business operations and resources sharing with other partners and seeking suitable business opportunities in other sports events and venue operations, aiming to establish a long-term stable cooperation and operation model. Meanwhile, the Group has strictly optimised and controlled costs, and generated income through prudent financial management with its own funds, thereby improving the Group’s financial position.

We believe that the severe winter will eventually pass, and the spring of the sports industry will be bound to come. We remain low profile in the harsh winter, and accumulate and improve skills in spring, so as to promote the development of the industry, and facilitate public health. A promising future is coming, let’s wait for the flowers to bloom.

\* for identification purpose only

# Management Discussion and Analysis

## FINANCIAL REVIEW

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

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

### Revenue

The Group's revenue decreased by approximately 25.0% to RMB0.9 million for the six months ended 30 June 2022 from RMB1.2 million for the six months ended 30 June 2021. Details based on reportable segments are as follows:

- Revenue of the Events Operation and Marketing segment decreased by approximately 37.5% to RMB0.5 million for the six months ended 30 June 2022 from RMB0.8 million for the six months ended 30 June 2021. The decrease was due to the ongoing pandemic in the first half of 2022, making it difficult for online marathons to obtain sponsorship income; and
- Revenue of the Sports Services segment amounted to RMB0.4 million for the six months ended 30 June 2022, which is basically the same as that for the six months ended 30 June 2021.

### Cost of Services

The Group's cost of services decreased by approximately 50.0% to RMB0.6 million for the six months ended 30 June 2022 from RMB1.2 million for the six months ended 30 June 2021. Details based on reportable segments are as follows:

- Cost of the Events Operation and Marketing segment increased by approximately 100.0% to RMB0.6 million for the six months ended 30 June 2022 from RMB Nil for the six months ended 30 June 2021. The increase was mainly due to the costs incurred in the preparation period for the events during the contractual period; and
- Cost of the Sports Services segment decreased by approximately 100.0% to RMB Nil for the six months ended 30 June 2022 from RMB1.2 million for the six months ended 30 June 2021. The decrease was mainly due to a reduction in the costs of the online marathon.

## Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group increased by approximately 100.0% to RMB0.3 million for the six months ended 30 June 2022 from RMB Nil for the six months ended 30 June 2021, and the gross profit margin increased to approximately 33.3% for the six months ended 30 June 2022 from 0.0% for the six months ended 30 June 2021. 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 loss for the Events Operation and Marketing segment of RMB0.1 million for the six months ended 30 June 2022 as compared to a gross profit of RMB0.8 million recorded for the six months ended 30 June 2021. The Group recognised a gross loss margin of 20.0% for the six months ended 30 June 2022 as compared to a gross profit margin of 100.0% for the six months ended 30 June 2021; and
- As a result of the foregoing changes in revenue and cost of service of the Sports Services segment, the Group recorded a gross profit for the Sports Services segment of RMB0.4 million for the six months ended 30 June 2022 as compared to a gross loss of RMB0.8 million recorded for the six months ended 30 June 2021. The Group recognised a gross profit margin of 100.0% for the six months ended 30 June 2022 as compared to a gross loss margin of 200.0% for the six months ended 30 June 2021.

## Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by approximately 35.3% to RMB1.1 million for the six months ended 30 June 2022 from RMB1.7 million for the six months ended 30 June 2021. The decrease was mainly attributable to the optimisation of labour cost by the Group and the decrease in traveling expenses due to the fact that the sports events could not be organised as scheduled as a result of the outbreak of the COVID-19 pandemic.

## General and Administrative Expenses

The Group's general and administrative expenses decreased by approximately 14.3% to RMB13.2 million for the six months ended 30 June 2022 from RMB15.4 million for the six months ended 30 June 2021. The decrease was mainly due to the enhancement of daily expenses management by the Group.

## Other Income

The Group's other income decreased by 71.6% to RMB2.3 million for the six months ended 30 June 2022 from RMB8.1 million for the six months ended 30 June 2021. The decrease was mainly due to the decrease in the income generated from the treasury products purchased from reputable financial institutions during the reporting period, and the increase in the dividend income from a financial asset at fair value through other comprehensive income during the corresponding period last year.

## Other Losses

The Group's other losses decreased by approximately 19.2% to RMB12.6 million for the six months ended 30 June 2022 from RMB15.6 million for the six months ended 30 June 2021. The decrease was mainly due to the decrease in allowance for impairment of other receivables.

# Management Discussion and Analysis

## Loss before Tax

As a result of the foregoing, the Group's loss before tax increased by approximately 5.8% to RMB25.6 million for the six months ended 30 June 2022 from a loss before tax of RMB24.2 million for the six months ended 30 June 2021.

## Income Tax (Expense)/Credit

The Group's income tax expense was RMB6.5 million for the six months ended 30 June 2022, while the income tax credit was RMB2.9 million for the six months ended 30 June 2021. The income tax expense was incurred due to the withholding and payment of corporate income tax on the dividend paid by the subsidiaries in China to the parent company in Hong Kong.

## Loss Attributable to the Owners of the Company

As a result of the foregoing, the loss attributable to the owners of the Company increased by approximately 50.7% to RMB32.1 million for the six months ended 30 June 2022 from RMB21.3 million for the six months ended 30 June 2021.

## Cash Flow

As at 30 June 2022, the Group's cash and cash equivalents amounted to approximately RMB138.6 million compared with that of RMB127.4 million as at 31 December 2021.

## Working Capital

The Group's net current assets increased by approximately 8.5% to RMB318.5 million as at 30 June 2022 from RMB293.5 million as at 31 December 2021. 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 2022 (for the six months ended 30 June 2021: RMB Nil).

## 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 2022, the Group had net current assets of RMB318.5 million (31 December 2021: RMB293.5 million), of which cash and cash equivalents amounted to RMB138.6 million (31 December 2021: RMB127.4 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 for them. After taking into account a series of factors, including transaction volume, length of business relationship, prior dealing history with the Group, creditworthiness, the industry practice, the macroeconomic and market competition environment, the Group's financial position and working capital needs and the Group's marketing and sales strategy, the Group may further extend credit periods ranging from three to six months for some of the clients in practice. Such extension of credit periods is granted on a case-by-case basis and not set forth in the payment terms in 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 the clients.

The Group has not experienced any material impact or effects on its operations or liquidity as a result of fluctuations in foreign exchange rates for the six months ended 30 June 2022 and the Group has not 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 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 (the "**Listing Date**"). On 7 August 2013, the Company issued an additional 9,045,000 ordinary shares at the offer price of HK\$2.11 each to the public upon the partial exercise of the over-allotment option. The options to subscribe for a total of 1,210,000 shares of the Company were granted on 23 May 2014 to employees of the Group. As at the date of this interim report, no option has been exercised. 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 interim report, no option has been exercised. Save for the above, there was no alteration in the capital structure of the Group for the six months ended 30 June 2022.

### **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR SIGNIFICANT INVESTMENTS OR ACQUISITIONS OF MATERIAL CAPITAL ASSETS IN THE FUTURE**

#### **Acquisition of property in the United Kingdom**

On 8 April 2022, Wisdom London Limited (“**Wisdom London**”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Taylor Wimpey UK Limited (“**Taylor Wimpey**”), pursuant to which Wisdom London agreed to acquire and Taylor Wimpey agreed to sell the leasehold property at Plot 22 Postmark Phase 3 Calthorpe Street, Rear of Mount Pleasant Sorting office Farringdon Road EC1, London, the United Kingdom (the “**Leasehold Property**”) at a consideration of GBP1,311,000.00 (equivalent to approximately HK\$13,581,960.00) (exclusive of value added tax). The Leasehold Property will be used for residential land use and will be developed as one of the apartments of the Postmark housing development project in Farringdon, the United Kingdom. Taylor Wimpey will arrange the development and construction of the Leasehold Property, which is expected to be completed before 31 December 2023. The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company is of the opinion that the acquisition of the Leasehold Property was a good investment opportunity to enter the property market in the United Kingdom and offered the Group an appealing property investment opportunity for capital appreciation and stable rental income in the future. The transaction constituted a discloseable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). For details, please refer to the announcement of the Company dated 8 April 2022.

Save as disclosed in this interim report, during the six months ended 30 June 2022, the Company had no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures. Save as disclosed in the relevant announcements and in this interim report, as at the date of this interim report, the Company has no plans for significant investments or acquisitions of material capital assets in the future.

#### **CHARGE ON ASSETS**

As at 30 June 2022, there was no charge on the Group’s assets (for the six months ended 30 June 2021: Nil).

#### **CONTINGENT LIABILITIES**

As at 30 June 2022, the Company had no material contingent liabilities (for the six months ended 30 June 2021: Nil).

## FINANCIAL RATIO

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

Financial ratio	As at 30 June 2022	As at 31 December 2021
Current ratio	709.5%	661.6%
Gearing ratio	N/A	N/A

Notes:

1. Current ratio represents a ratio of current assets to current liabilities.
2. Gearing ratio is calculated as net debt (total bank borrowings less cash and cash equivalents) divided by total equity. The gearing ratio is not applicable to the Group as it had no bank borrowings as at 30 June 2022 and 31 December 2021.

## HUMAN RESOURCES

The total number of employees of the Group was 12 as at 30 June 2022 (31 December 2021:16). The Group implements remuneration policy that is competitive in the industry, and pays commissions and discretionary bonuses to its sales personnel and other employees with reference to performance of the Group and individual employees. The total cost of the employees for the six months ended 30 June 2022 amounted to RMB2.6 million (31 December 2021: RMB4.8 million).

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

## CONNECTED TRANSACTIONS AND STRUCTURED CONTRACTS

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

\* for the identification purpose only

## Management Discussion and Analysis

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

### Operating Entities of the Group Controlled through the Structured Contracts

During the six months ended 30 June 2022, the following are operating entities of the Group controlled through the Structured Contracts:

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

\* for identification purpose only

# Disclosure of Interests

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

As at 30 June 2022, the interests and short positions of the Directors or chief executives of the Company in the shares of the Company (the “**Shares**”), underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### (i) Long position in the Shares

Name of Director	Nature of interest	Number of Shares	Approximate percentage of shareholding interest
Ms. Ren Wen	Founder of discretionary trust ( <i>Note 1</i> )	602,780,000	37.84%
	Interest of controlled corporation ( <i>Note 2</i> )	98,751,000	6.20%
Mr. Song Hongfei	Beneficial owner ( <i>Note 3</i> )	4,715,000	0.30%
Ms. Hao Bin	Beneficial owner ( <i>Note 4</i> )	250,000	0.02%

#### Notes:

- These 602,780,000 Shares were held by Queen Media Co., Ltd. (“**Queen Media**”). The entire issued share capital of Queen Media was owned by Sky Limited (“**Trust Co**”), whose entire issued share capital was the trust asset of the SKY Trust, which was founded by Ms. Ren Wen as settlor and managed by Credit Suisse Trust Limited as trustee for the SKY Trust, which was a trust established in accordance with the law of Guernsey. The discretionary beneficiaries of the SKY Trust include Ms. Ren Wen and her family members. Accordingly, Ms. Ren Wen was deemed or taken to be interested in all the Shares held by Queen Media for the purpose of the SFO.
- Out of the 98,751,000 Shares, 75,961,000 Shares were held by Lucky Go Co., Ltd. and 22,790,000 Shares were held by Top Car Co., Ltd. Ms. Ren Wen held 100% equity interest in Lucky Go Co., Ltd. and 43.69% equity interest in Top Car Co., Ltd., respectively, and hence was deemed or taken to be interested in all the Shares held by Lucky Go Co., Ltd. and Top Car Co., Ltd. for the purpose of the SFO.
- Among the 4,715,000 Shares that Mr. Song Hongfei was interested in, 215,000 Shares were share options granted to him on 23 May 2014 under the share option scheme of the Company with an exercise price of HK\$3.92 per Share.
- Among the 250,000 Shares that Ms. Hao Bin was interested in, 150,000 Shares were share options granted to her on 29 May 2015 under the share option scheme of the Company with an exercise price of HK\$8.036 per Share.

## Disclosure of Interests

### (ii) Long position in the shares of associated corporations

Name of Director	Name of associated corporation	Class of interest	Approximate percentage of shareholding interest
Ms. Ren Wen	Beijing Wisdom Media ( <i>Note 1</i> )	Ordinary	62.38%
	First AI ( <i>Note 2</i> )	Ordinary	100%
Mr. Sheng Jie	Beijing Wisdom Media ( <i>Note 1</i> )	Ordinary	8.46%

*Notes:*

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

Save as disclosed above, as at 30 June 2022, none of the Directors, chief executives of the Company and their respective associates had any personal, family, corporate or other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

So far as is known to the Directors, as at 30 June 2022, according to the register of interest kept by the Company under section 336 of the SFO, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

### (i) Long position in the Shares

Name of substantial shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding interest
Trust Co	Interest of controlled corporation	602,780,000 ( <i>Note 1</i> )	37.84%
Credit Suisse Trust Limited	Trustee	602,780,000 ( <i>Note 1</i> )	37.84%
Brock Nominees Limited	Nominee	602,780,000 ( <i>Note 1</i> )	37.84%
Tenby Nominees Limited	Nominee	602,780,000 ( <i>Note 1</i> )	37.84%
Queen Media	Beneficial owner	602,780,000 ( <i>Note 1</i> )	37.84%

*Note:*

- These 602,780,000 Shares were held by Queen Media. The entire issued share capital of Queen Media was owned by Trust Co, whose entire issued share capital was held as to 50% by Brock Nominees Limited and 50% by Tenby Nominees Limited. The entire issued share capital of Trust Co was the trust asset of the SKY Trust, which was founded by Ms. Ren Wen as settlor and managed by Credit Suisse Trust Limited as trustee for the SKY Trust, which was a trust established in accordance with the law of Guernsey. The discretionary beneficiaries of the SKY Trust included Ms. Ren Wen and her family members.

Save as disclosed above, as at 30 June 2022, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

# Important Events

## SHARE OPTION SCHEME

### Background

The Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 14 June 2013 for the purpose of recognizing and acknowledging the contributions the eligible participants had or may have made to the Group, which became effective on the Listing Date. The Board may, at its discretion, grant options (the “**Option(s)**”) pursuant to the Share Option Scheme to the substantial shareholders, Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the Company’s subsidiaries, employees of the Group and any other persons (including consultants or advisers) whom the Board considers, in its absolute discretion, have contributed or will contribute to the Group.

The Directors were authorized to grant Options and to allot, issue and deal with the Shares pursuant to the exercise of Options granted under the Share Option Scheme and to take all such steps as may be necessary and/or desirable to implement and give effect to the Share Option Scheme. The maximum number of Shares in respect of which Options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following the completion of the Global Offering (as defined in the Prospectus), being 160,000,000 Shares, unless otherwise approved by the shareholders of the Company in general meeting and/or such other requirements prescribed under the Articles of Association of the Company, the Listing Rules and/or any other applicable laws and regulations from time to time.

The maximum number of Shares (i.e. 160,000,000 Shares) in respect of which Options may be granted under the Share Option Scheme represents 10.04% of the total number of the issued Shares as at the date of this interim report (assuming no Shares were issued and/or repurchased after 30 August 2022, being the latest practicable date for ascertaining certain information in this interim report (the “**Latest Practicable Date**”). As at the date of this interim report, the number of Shares available for issue under the Share Option Scheme (excluding those Options granted but not exercised) amounted to 159,535,000 Shares, representing approximately 10.02% of the issued Shares.

An offer for the grant of Options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option is HK\$1.00. The total number of Shares issued and to be issued upon exercise of Options granted to any participant under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of option in excess of such limit must be separately approved by shareholders in general meeting with such grantee and his associates abstaining from voting. The Share Option Scheme will remain in force for a period of ten years commencing on the date of adoption, which is 14 June 2013 and shall expire at the close of business on the business date immediately preceding the tenth anniversary thereof unless terminated earlier by shareholders in general meeting.

There is no minimum period prescribed under the terms of the Share Option Scheme for which an Option must be held before it can be exercised, and the period during which an Option may be exercised will be determined by the Board in its absolute discretion. However, no Options shall be exercised 10 years after they have been granted. The subscription price of a Share in respect of a particular option shall be not less than the highest of (a) the official closing price of the Shares on the daily quotation sheet of the Stock Exchange on the date of grant; (b) the average official closing price of the Shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share.

## Options granted

### *Options granted on 23 May 2014*

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

For the six months ended 30 June 2022, no Options granted on 23 May 2014 has been exercised, cancelled, forfeited or lapsed. As at 30 June 2022, Options to subscribe for a total of 215,000 Shares remained outstanding and were exercisable by the respective grantees immediately until 22 May 2024.

### *Options granted on 29 May 2015*

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

For the six months ended 30 June 2022, no Options granted on 29 May 2015 has been exercised, cancelled, forfeited or lapsed. As at 30 June 2022, Options to subscribe for a total of 150,000 Shares remained outstanding and were exercisable by the respective grantees immediately until 28 May 2025.

### *Options granted during the six months ended 30 June 2022*

No Option was granted by the Company during the six months ended 30 June 2022.

## Important Events

### *Movement during the six months ended 30 June 2022*

Particulars of the outstanding Options under the Share Option Scheme from 1 January 2022 to 30 June 2022 and Options granted, exercised, cancelled, forfeited or lapsed during such period are as follows:

Identity/Category of participant	Date of grant	Exercise price per Share	Vesting date and exercise period	Balance as at 1 January 2022	Granted during the period	Exercised during the period	Cancelled/ Forfeited/ Lapsed during the period	Balance as at 30 June 2022	Price per Share immediately before the date of grant	Price per Share on exercise date
Mr. Song Hongfei	23 May 2014	HK\$3.92	From the date the exercise conditions are met <sup>1</sup> to 22 May 2024	215,000	-Nil-	-Nil-	-Nil-	215,000	HK\$4.01	N/A <sup>2</sup>
Ms. Hao Bin	29 May 2015	HK\$8.036	From the date the exercise conditions are met <sup>1</sup> to 28 May 2025	150,000	-Nil-	-Nil-	-Nil-	150,000	HK\$7.95	N/A <sup>2</sup>
Total				365,000	-Nil-	-Nil-	-Nil-	365,000		

#### Notes:

- Such Options shall be exercisable subject to the satisfaction of the individual performance assessment of the respective grantees for the relevant years. For details of the vesting schedule, please refer to the subsection headed "Share Option Scheme – Options granted" above.
- No Option had been exercised during the six months ended 30 June 2022.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2022.

## **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, for the six months ended 30 June 2022 and as at the date of this interim report, the Company has maintained sufficient public float as required under the Listing Rules.

## **INTERIM DIVIDEND**

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil).

## **EVENTS AFTER THE REPORTING PERIOD**

### **CHANGE OF ADDRESS OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

With effect from 15 August 2022, the address of the principal place of business of the Company in Hong Kong has been changed to 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong. Please refer to the Company's announcement dated 20 July 2022 for further details.

Save as disclosed in this interim report, to the best knowledge of the Directors, there was no significant event after the six months ended 30 June 2022 that will have a material impact on the operation and financial position of the Group.

# Corporate Governance and Other Information

## CORPORATE GOVERNANCE CODE

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

The Company has applied the applicable principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 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 2022, the Company has complied with the applicable principles and code provisions as set out in the CG Code.

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

The Company has adopted the Model Code contained in Appendix 10 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 2022.

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 2022.

## 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 amended on 31 March 2016 and 20 December 2018 in light of the amendments to the Listing Rules.

The Audit Committee is established for the purpose of reviewing the financial information and providing supervision on the financial reporting system, risk management and internal control systems as well as the effectiveness of the internal audit function of the Group.

As at the date of this interim report, the Audit Committee comprises three members, namely Mr. Chen Zhijian (Chairman), Mr. Jin Guoqiang, and Mr. Ip Kwok On Sammy, all being independent non-executive Directors.

The interim results of the Group for the six months ended 30 June 2022 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 2022. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Note	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Revenue	5	897	1,238
Cost of services		(638)	(1,223)
<b>Gross profit</b>		<b>259</b>	<b>15</b>
Other income	6	2,301	8,097
Other losses	7	(12,648)	(15,550)
Selling and distribution expenses		(1,092)	(1,696)
General and administrative expenses		(13,162)	(15,374)
<b>Loss from operations</b>		<b>(24,342)</b>	<b>(24,508)</b>
Finance cost	8	(2)	–
Share of results of associates		(1,257)	267
<b>Loss before tax</b>		<b>(25,601)</b>	<b>(24,241)</b>
Income tax (expense)/credit	10	(6,501)	2,898
<b>Loss for the period</b>	11	<b>(32,102)</b>	<b>(21,343)</b>
Attributable to:			
Owners of the Company		(32,084)	(21,308)
Non-controlling interests		(18)	(35)
		<b>(32,102)</b>	<b>(21,343)</b>

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Note	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
<b>Other comprehensive income</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)		(10)	16,259
<i>Item that may be reclassified to profit or loss:</i>			
Share of other comprehensive income of an associate		-	(492)
<b>Other comprehensive income for the period, net of tax</b>		<b>(10)</b>	<b>15,767</b>
<b>Total comprehensive income for the period</b>		<b>(32,112)</b>	<b>(5,576)</b>
Attributable to:			
Owners of the Company		(32,094)	(5,541)
Non-controlling interests		(18)	(35)
		<b>(32,112)</b>	<b>(5,576)</b>
<b>Loss per share attributable to owners of the Company</b>	13		
Basic and diluted		<b>RMB(0.02)</b>	<b>RMB(0.01)</b>

# Condensed Consolidated Statement of Financial Position

At 30 June 2022

	Note	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	42,116	48,609
Investment properties		8,810	8,810
Intangible assets		2,086	2,401
Financial assets at fair value through other comprehensive income	15	62,919	61,856
Other receivables	20	10,000	60,000
Investments in associates	16	35,834	39,464
Deferred tax assets		6,720	6,720
Other non-current asset	17	15,282	13,000
<b>Total non-current assets</b>		<b>183,767</b>	<b>240,860</b>
<b>Current assets</b>			
Inventories		2,150	2,184
Financial assets at fair value through profit or loss	18	48,574	59,356
Trade receivables	19	2,072	1,700
Other receivables	20	128,962	111,233
Prepayments and other current assets	21	50,366	43,819
Cash and cash equivalents	22	138,583	127,443
<b>Total current assets</b>		<b>370,707</b>	<b>345,735</b>
<b>TOTAL ASSETS</b>		<b>554,474</b>	<b>586,595</b>

# Condensed Consolidated Statement of Financial Position

At 30 June 2022

	Note	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	23	2,454	2,454
Reserves		500,456	532,533
		<b>502,910</b>	534,987
Non-controlling interests		(687)	(652)
<b>TOTAL EQUITY</b>		<b>502,223</b>	534,335
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	24	4,888	4,888
Other payables and accrued expenses		19,546	20,265
Contract liabilities		2,127	2,127
Income tax payables		25,690	24,980
<b>Total current liabilities</b>		<b>52,251</b>	52,260
<b>TOTAL LIABILITIES</b>		<b>52,251</b>	52,260
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>554,474</b>	586,595
<b>NET CURRENT ASSETS</b>		<b>318,456</b>	293,475

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to owners of the Company											Total equity RMB'000											
	Share capital RMB'000 <i>(note 23)</i>	Share premium RMB'000	Share-based payments reserve RMB'000	Statutory reserve RMB'000	Foreign currency translation reserve RMB'000	Other reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Investment properties reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000												
													Attributable to owners of the Company										
At 1 January 2021 (audited)	2,454	54,245	911	148,241	-	81,902	(7,336)	-	280,018	560,435	(622)	559,813											
Total comprehensive income for the period	-	-	-	-	(492)	-	16,259	-	(21,308)	(5,541)	(35)	(5,576)											
Realisation of fair value reserve (non-recycling) upon disposals of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(13,352)	-	13,352	-	-	-											
Changes in equity for the period	-	-	-	-	(492)	-	2,907	-	(7,956)	(5,541)	(35)	(5,576)											
At 30 June 2021 (unaudited)	2,454	54,245	911	148,241	(492)	81,902	(4,429)	-	272,062	554,894	(657)	554,237											
At 1 January 2022 (audited)	2,454	54,245	674	138,241	-	81,902	9,981	5,084	242,406	534,987	(652)	534,335											
Total comprehensive income for the period	-	-	-	-	-	-	(10)	-	(32,084)	(32,094)	(18)	(32,112)											
Capital reduction	-	-	-	-	-	-	-	-	17	17	(17)	-											
Changes in equity for the period	-	-	-	-	-	-	(10)	-	(32,067)	(32,077)	(35)	(32,112)											
At 30 June 2022 (unaudited)	2,454	54,245	674	138,241	-	81,902	9,971	5,084	210,339	502,910	(687)	502,223											

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Note	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations		(21,162)	(8,073)
Income tax paid		(6,501)	–
Net cash used in operating activities		(27,663)	(8,073)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of an associate		–	(23,952)
Increase in amount due from a related company		–	(9,164)
Interest income from treasury products		431	2,336
Interest income from loans to companies		1,429	1,169
Interest income from fund investment in a partnership		–	500
Interest income from short-term bank deposits		187	20
Dividend income from an unlisted equity security under financial assets at fair value through other comprehensive income		–	2,488
Decrease in security trading account's balances		1,415	4,079
Purchases of treasury products		(149,028)	(241,150)
Purchases of unlisted investment funds		–	(27,000)
Partial receipt of investment cost of an unlisted equity security under financial assets at fair value through other comprehensive income		–	361
Prepayment for strategic cooperation on a snow amusement park project		–	(15,000)
Proceed from disposal of a subsidiary in prior year		–	300
Proceeds from disposal of listed equity securities under financial assets at fair value through profit or loss		–	19,510
Proceeds from disposal of property, plant and equipment		–	71
Proceeds from disposal of treasury products		164,692	260,150
Repayment received for loan to a company		19,086	33,400
Capital reduction		17	–
Refund from acquisition of associate		2,372	–

For the six months ended 30 June 2022

	Note	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Net cash generated from investing activities		40,601	8,118
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liability		–	–
Net cash used in financing activities		–	–
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>12,938</b>	45
Effect of foreign exchange rate changes		(1,798)	(910)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	22	<b>127,443</b>	137,696
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	22	<b>138,583</b>	136,831

# Notes to the Interim Financial Information

For the six months ended 30 June 2022

## 1. GENERAL INFORMATION

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**”). Its ultimate controlling party is Ms. Ren Wen, who is also the Chairlady of the Board of the Company. 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 China is 7/F, Block 1, No. 16, Xinyuanli, Chaoyang District, Beijing, the People’s Republic of China (the “**PRC**”). 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.

## 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 2022.

This interim financial information should be read in conjunction with the 2021 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 2021.

## 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 2021. 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 2022 but these developments do not have a material effect on this interim financial information.

A number of new HKFRSs and amendments to HKFRSs is effective from 1 January 2022 and earlier application is permitted. The Group has not early adopted any new HKFRSs or amendments to HKFRSs that are not effective for the current interim period.

## 4. FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

# Notes to the Interim Financial Information

For the six months ended 30 June 2022

## 4. FAIR VALUE MEASUREMENTS (Continued)

### (a) Disclosures of level in fair value hierarchy

Description	Fair value measurements as at 30 June 2022			30 June 2022
	Level 1	Level 2	Level 3	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
<b>Recurring fair value measurements:</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income				
– Unlisted equity securities ( <i>note 15</i> )	–	–	62,919	62,919
Financial assets at fair value through profit or loss				
– Listed equity securities ( <i>note 18</i> )	23,105	–	–	23,105
– Treasury products ( <i>note 18</i> )	–	–	25,469	25,469
<b>Total</b>	<b>23,105</b>	<b>–</b>	<b>88,388</b>	<b>111,493</b>

Description	Fair value measurements as at 31 December 2021			31 December 2021
	Level 1	Level 2	Level 3	Total
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
<b>Recurring fair value measurements:</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income				
– Unlisted equity securities ( <i>note 15</i> )	–	–	61,856	61,856
Financial assets at fair value through profit or loss				
– Listed equity securities ( <i>note 18</i> )	23,930	–	–	23,930
– Treasury products ( <i>note 18</i> )	–	–	35,426	35,426
<b>Total</b>	<b>23,930</b>	<b>–</b>	<b>97,282</b>	<b>121,212</b>

#### 4. FAIR VALUE MEASUREMENTS (Continued)

##### (b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2022 and 31 December 2021:

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

##### *No level 2 fair value measurement used by the Group*

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

- Adjusted net asset values provided by the administrators of unlisted limited partnerships or an unlisted company.
- Pre-determined redemption prices specified in the share transfer agreements upon the realisation of events (only applicable during the six months ended 30 June 2022 for disposals of financial assets at fair value through other comprehensive income).
- Price-to-sales ratios of market comparable companies under market approach.
- Quoted bid prices provided by the administrators of unlisted investment funds.

##### *Level 3 fair value measurements*

Description	Valuation techniques	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 30 June 2022 RMB'000 (unaudited)
Financial assets at fair value through other comprehensive income – unlisted equity securities	Adjusted net asset values	N/A	N/A	N/A	61,410
Financial assets at fair value through other comprehensive income – unlisted equity security	Market approach	Volatility of market comparable companies	N/A	Increase	436
Financial assets at fair value through profit or loss – treasury products	Adjusted net asset values	N/A	N/A	N/A	25,469

# Notes to the Interim Financial Information

For the six months ended 30 June 2022

## 4. FAIR VALUE MEASUREMENTS (Continued)

- (b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2022 and 31 December 2021: (Continued)

### Level 3 fair value measurements (Continued)

Description	Valuation techniques	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 31 December 2021 RMB'000 (audited)
Financial assets at fair value through other comprehensive income – unlisted equity securities	Adjusted net asset values	N/A	N/A	N/A	61,758
Financial assets at fair value through other comprehensive income – unlisted equity security	Recent transaction price	N/A	N/A	N/A	98
Financial assets at fair value through profit or loss – treasury product	Adjusted net asset values	N/A	N/A	N/A	35,426

During the six months ended 30 June 2022, an unlisted equity security under financial assets at fair value through other comprehensive income of RMB Nil (31 December 2021: RMB12,435,000) had a change in the valuation technique used from adjusted net asset value to pre-determined redemption price specified in the share transfer agreement as a result of activation of redemption clause before the disposal.

#### 4. FAIR VALUE MEASUREMENTS (Continued)

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Financial assets at fair value through profit or loss – treasury products		
At the beginning of the reporting period	35,426	–
Addition	–	35,426
Net unrealised gain recognised in other comprehensive income during the period	43	–
Net realised gain recognised in other comprehensive income during the period	332	–
Disposal during the period/year	(10,332)	–
At the end of the reporting period	25,469	35,426

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Financial assets at fair value through other comprehensive income – unlisted equity securities		
At the beginning of the reporting period	61,856	63,061
Net unrealised (losses)/gains recognised in other comprehensive income during the period/year	(10)	1,786
Partial receipt of investment cost from a financial asset at fair value through other comprehensive income	–	(361)
Transfer	1,073	–
Disposal during the period/year	–	(2,630)
At the end of the reporting period	62,919	61,856

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

# Notes to the Interim Financial Information

For the six months ended 30 June 2022

## 5. REVENUE

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

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Events operation and marketing income	453	835
Sports services income	444	403
	897	1,238

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Timing of revenue recognition</b>		
– At a point in time	569	982
– Over time	328	256
	897	1,238

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 2022 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 (2021: sports services).

## 6. OTHER INCOME

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Interest income from treasury products <i>(note (a))</i>	431	2,193
Interest income from loans to companies	1,429	1,457
Interest income from fund investment in a partnership	–	1,188
Interest income from short-term bank deposits	187	20
Interest income from consideration receivable upon disposal of a listed equity security under financial assets at fair value through other comprehensive income	–	552
Dividend income from an unlisted equity security under financial assets at fair value through other comprehensive income	–	2,488
Government grant <i>(note (b))</i>	96	–
Rental income	143	163
Others	15	36
	<b>2,301</b>	<b>8,097</b>

*Notes:*

- (a) The Group invested in treasury products issued by financial institutions in the PRC. The investments are denominated in RMB and with maturity periods within six months. The rates of return range from 2.46% to 7.5% per annum (2021: 2.7% to 8.6% per annum).
- (b) Government grant represents the wage subsidy received under Employment Support Scheme in Hong Kong as a time-limited compensation for expenses incurred without unfulfilled conditions during the economic instability under the novel coronavirus (“COVID-19”) pandemic for the six months ended 30 June 2022.

## Notes to the Interim Financial Information

For the six months ended 30 June 2022

### 7. OTHER LOSSES

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Allowance for impairment of other non-current asset	(2,293)	–
Allowance for impairment of trade receivables	–	(595)
Allowance for impairment of other receivables	(6,570)	(12,711)
Exchange losses	(1,798)	(1,046)
Fair value loss on listed equity securities under financial assets at fair value through profit or loss	(1,873)	(3,332)
Fair value loss on unlisted investment funds under financial assets at fair value through profit or loss	–	(242)
Gain on disposal of treasury product under financial assets at fair value through profit or loss	332	–
(Loss)/gain on disposals of listed equity securities under financial assets at fair value through profit or loss	(423)	1,510
Loss on disposals of property, plant and equipment	–	(216)
Gain on disposal of a right-of-use asset	–	92
Others	(23)	990
	(12,648)	(15,550)

### 8. FINANCE COST

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on margin account	2	–

## 9. SEGMENT INFORMATION

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

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

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

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

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

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

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

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

## Notes to the Interim Financial Information

For the six months ended 30 June 2022

### 9. SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2022 and 2021 is as follows:

#### Six months ended 30 June 2022

	Events Operation and Marketing RMB'000 (unaudited)	Sports Services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue	453	444	897
Cost of services	(570)	(68)	(638)
Segment results	(117)	376	259
Other income			2,301
Other losses			(12,648)
Selling and distribution expenses			(1,092)
General and administrative expenses			(13,162)
Finance costs			(2)
Share of results of associates			(1,257)
Income tax expense			(6,501)
Loss for the period			(32,102)

**9. SEGMENT INFORMATION** (Continued)

Six months ended 30 June 2021

	Events Operation and Marketing RMB'000 (unaudited)	Sports Services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue	835	403	1,238
Cost of services	(35)	(1,188)	(1,223)
Segment results	800	(785)	15
Other income			8,097
Other losses			(15,550)
Selling and distribution expenses			(1,696)
General and administrative expenses			(15,374)
Share of results of associates			267
Income tax credit			2,898
Loss for the period			(21,343)

# Notes to the Interim Financial Information

For the six months ended 30 June 2022

## 10. INCOME TAX (EXPENSE)/CREDIT

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

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax	(6,501)	(10)
Deferred tax	–	2,908
	<b>(6,501)</b>	<b>2,898</b>

No provision for Hong Kong Profits Tax was required since the Group had no assessable profits for the six months ended 30 June 2022 and 2021.

PRC Corporate Income Tax has been provided at a rate of 25% (2021: 25%).

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.

## 11. LOSS FOR THE PERIOD

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

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Amortisation of intangible assets	315	463
Depreciation of investment properties	–	151
Depreciation of property, plant and equipment	6,493	6,208
Staff costs		
– Salaries, bonuses and allowances	2,188	2,546
– Retirement benefits scheme contributions	500	519
Auditor's remuneration		
– Non-audit related services	440	580
Allowance for impairment of trade receivables	–	595
Allowance for impairment of other receivables	6,570	12,711
Allowance for impairment of other non-current asset	2,293	–

## 12. DIVIDENDS

The Board of Directors does not recommend the payment of any dividend in respect of the six months ended 30 June 2022 and 2021.

## 13. LOSS PER SHARE

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

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
<b>Loss attributable to owners of the Company</b>		
Loss for the purpose of calculating basic and diluted loss per share	(32,084)	(21,308)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	1,592,942	1,592,942

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 six months ended 30 June 2022 and 2021.

## 14. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

During the year ended 31 December 2021, the Group reclassified the property, plant and equipment at the amount of RMB3,726,000 to investment properties. The Group leases out the properties under operating leases with rental income receivable on a monthly basis. The leases typically run for an initial period of 4 years. The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in RMB. The lease contracts do not contain lessee's option to purchase the properties at the end of the lease term.

## Notes to the Interim Financial Information

For the six months ended 30 June 2022

### 15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Unlisted equity securities	62,919	61,856

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

As at 30 June 2022, the fair value of this financial asset is RMB61,410,000 (31 December 2021: RMB61,758,000) accounting for 11% (31 December 2021: 10.5%) of the Group’s total assets. Unrealised loss of RMB10,000 (2021: RMB1,786,000) arising from the remeasurement of this financial asset was recognised in the fair value reserve (non-recycling) in other comprehensive income, and dividend income of RMB Nil (2021: RMB2,488,000) from such financial asset was recognised during the six months ended 30 June 2022. The Group maintains to hold this financial asset for strategic purposes since initial recognition to generate long-term capital growth.

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

### 16. INVESTMENTS IN ASSOCIATES

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Unlisted investments:		
Cost of investments in associate	43,201	46,831
Accumulated impairment losses	(7,367)	(7,367)
	35,834	39,464

## 16. INVESTMENTS IN ASSOCIATES (Continued)

Notes:

- (a) Upon a resolution passed in the shareholders' meeting of SEG ZM Sports Culture Development Co., Ltd. ("**SEG ZM**") on the registered share capital reduction of SEG ZM from RMB50,000,000 to RMB20,000,000, the Group would be returned for RMB3,000,000 of its investment cost based on its 10% equity interest in SEG ZM. As at 30 June 2022 and 31 December 2021, RMB1,000,000 is receivables from SEG ZM.

As the Group holds 10% equity interest in SEG ZM, and has appointed one out of five directors, the Group has significant influence, but no control over the financial and operating policy decisions of SEG ZM. Hence the Group's interest in SEG ZM is accounted for as an investment in an associate.

- (b) The Articles of Association of Vning specifies that at least a half of the shareholding is required to approve for decision on directing the relevant activities of Vning. As the Group holds a 15% equity interest in Vning, and has appointed one out of seven directors, the Group has significant influence, but not control over the financial and operating policy decisions of Vning. Hence the Group's interest in Vning is accounted for as an investment in an associate.

- (c) For investment in Yuan Tong Global Financial Group Limited, the recoverable amount for the investment has been determined based on value in use by using discounted cash flow method. A discount rate of 16% (2021: 14%) was used. As a result, according to the impairment test result used by the Group, the recoverable amount of this investment is higher than its carrying amount and hence no impairment was recognised in profit or loss for the six months ended 30 June 2022 and the year ended 31 December 2021.

During the year ended 31 December 2021, the Group acquired 34% equity interests in YTG at a consideration of HK\$37,060,000 (equivalent to approximately RMB31,322,000).

# Notes to the Interim Financial Information

For the six months ended 30 June 2022

## 17. OTHER NON-CURRENT ASSET

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Earnest money paid for potential equity investment (notes (a) and (b))	17,575	13,000
Allowance for impairment of other non-current asset	(2,293)	–
	<b>15,282</b>	<b>13,000</b>

Notes:

- (a) Due to the interruption of the outbreak of COVID-19, certain investment criteria of an potential equity investment amounting to RMB13,000,000 has yet to be fulfilled during the period ended 30 June 2022 and the year ended 31 December 2021 and up to the date of this report.
- (b) Prepayment of RMB4,575,000 for the acquisition of investment properties during the period ended 30 June 2022 will be utilised upon completion.

## 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Listed equity securities		
– Hong Kong	9,044	7,745
– the PRC	14,061	16,185
	<b>23,105</b>	<b>23,930</b>
Treasury products	25,469	35,426
	<b>48,574</b>	<b>59,356</b>

## 19. TRADE RECEIVABLES

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Trade receivables	16,547	16,175
Allowance for impairment of trade receivables	(14,475)	(14,475)
	<b>2,072</b>	1,700

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 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Within 1 month	371	–
1 to 3 months	1	1,084
4 to 6 months	1,084	475
7 to 12 months	475	141
Over 12 months	141	–
	<b>2,072</b>	1,700

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

# Notes to the Interim Financial Information

For the six months ended 30 June 2022

## 20. OTHER RECEIVABLES

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Cash held at security trading accounts	337	1,752
Deposits with media companies and event organisation companies	322	10,331
Advance to employees	2,680	241
Amount due from a controlling shareholder (note 26(a))	2,774	2,625
Amount due from a director (note 26(a))	86	85
Lease and other deposits	36	35
Amount due from 北體智美場館運營(深圳)有限公司 (“TYCG”) (note (a))	37,983	37,983
Amounts due from related companies	9,307	5,258
Redemption receivables from fund investment	50,016	50,065
Fund investment in a partnership	38,563	43,063
Loans to companies	68,204	87,290
Others	8,518	5,799
Allowance for impairment of other receivables	(79,864)	(73,294)
	<b>138,962</b>	<b>171,233</b>
Non-current portion	(10,000)	(60,000)
<b>Total current portion</b>	<b>128,962</b>	<b>111,233</b>
<b>Non-current portion</b>		
Loan to companies	10,000	60,000
<b>Total non-current portion</b>	<b>10,000</b>	<b>60,000</b>

Note:

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

## 21. PREPAYMENT AND OTHER CURRENT ASSETS

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Prepayment for sport competition and event organisation expenses	30,428	23,930
Prepaid property management fees	–	193
Value-added and other taxes' credits	19,665	19,665
Others	273	31
	<b>50,366</b>	43,819

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

## Notes to the Interim Financial Information

For the six months ended 30 June 2022

### 22. CASH AND CASH EQUIVALENTS

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Cash on hand	35	35
Bank balances	138,548	127,408
<b>Cash and cash equivalents</b>	<b>138,583</b>	<b>127,443</b>

Cash and cash equivalents comprise cash held by the Group and short-term deposits with an original maturity of three months or less. The balances are mainly denominated in RMB, British pound sterling and United States dollars (31 December 2021: RMB, British pound sterling and United States dollars).

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

### 23. SHARE CAPITAL

	At 1 January 2021 (audited), 30 June 2021 (unaudited), 1 January 2022 (audited) and 30 June 2022 (unaudited)		
	Number of shares '000	US\$'000	RMB'000
Authorised:			
Ordinary shares of US\$0.00025 each	4,000,000	1,000	–
Issued and fully paid:			
Ordinary shares of US\$0.00025 each	1,592,942	398	2,454

## 24. TRADE PAYABLES

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Trade payables	4,888	4,888

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 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Within 1 month	-	-
1 to 3 months	-	207
4 to 6 months	-	71
7 to 12 months	278	-
Over 12 months	4,610	4,610
	<b>4,888</b>	<b>4,888</b>

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

## 25. CONTINGENT LIABILITY

As at 30 June 2022 and 31 December 2021, the Group did not have any material contingent liability.

# Notes to the Interim Financial Information

For the six months ended 30 June 2022

## 26. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with its related parties during the period:

### Related party balances

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Other receivable from SEG ZM (note 16(a))	1,000	1,000
Amount due from a controlling shareholder	2,774	2,625
Amount due from a director (note (a))	86	85
Loan to Yuan Tong Global Capital Limited (note (b))	2,044	2,044

Notes:

- (a) The balance represents the advance for routine business activities.
- (b) The balance as at 30 June 2022 and 31 December 2021 represents the advance for routine business activities. The amount due was unsecured, 1% interest and repayable on demand.

(b) The emoluments of Directors and other members of key management during the period were as follows:

	Six months ended 30 June 2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Directors' fees	350	231
Salaries and allowances	1,303	1,038
Retirement benefit scheme contributions	67	58
	1,720	1,327

## 27. COMPARATIVE FIGURES

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