



**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

**2023  
INTERIM  
REPORT**



# 为健康 为快乐

## Contents

Corporate information	2
Management discussion and analysis	3
Disclosure of interests	13
Important events	16
Corporate governance and other information	19
Condensed consolidated statement of profit or loss and other comprehensive income	21
Condensed consolidated statement of financial position	23
Condensed consolidated statement of changes in equity	25
Condensed consolidated statement of cash flows	26
Notes to the interim financial information	27

# Corporate Information

## EXECUTIVE DIRECTORS

Ms. Ren Wen (also known as Ms. Ren Guozun) (*Chairlady*)  
Mr. Sheng Jie (*Vice Chairman*)  
Dr. Shen Wei  
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  
Dr. Shen Wei

## 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

No. 020, Room 303, 3rd Floor, Block 10  
Courtyard No. 2, Shangjialou Road  
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

Following the emergence of the novel coronavirus in 2023, the Chinese people resumed their typical work and living routines, and the sports sector similarly experienced a return to its regular operations. With the commencement of national immunization efforts earlier in the year, the immediate repercussions of the pandemic on the whole industry have been temporarily mitigated. Diverse sectors and industries are actively engaged in endeavours to recuperate from the adverse impact of the outbreak. Particularly noteworthy is the exuberance observed in the sports industry, as it sheds the stagnation and decline imposed upon it by the pandemic over the past three years, thus reentering a phase of robust growth.

In light of the conclusion of the cooperative timeframe encompassing all events within the Group's agreement period, except the Nanchang Marathon\* (南昌馬拉松) and Lu'an Marathon\* (六安馬拉松), during the pandemic, the Group has diligently pursued numerous initiatives. These include cooperative event management, as well as the negotiation and pursuit of new marathon events throughout the initial half of the year. In the first half of the year, the Group successfully operated various types of events such as "2023 Tangwangcheng Desert Automobile and Motorcycle Race\*" (「2023唐王城沙漠汽摩賽」), "The 5th Session of Trailwalk Conference of Jinhua City\*" (「金華市第五屆毅行大會」), "2023 Tumushuke Marathon Trials\*" (「2023圖木舒克馬拉松選拔賽」), "2023 3rd Session of Tangwangcheng Cup Basketball League\*" (「2023第三屆唐王城杯籃球聯賽」) and "Zhongyi Electric 2023 Tonggu Half Marathon and Hero Marathon Series (Tonggu Station)\*" (「眾翼電器2023銅鼓半程馬拉松暨英雄馬系列賽(銅鼓站)」), which were well appraised by the local governments, participants and sponsors. Meanwhile, the Group has actively prepared for the negotiations on the holding of the Hero Marathon Series in Jiangxi, laying the groundwork for the Nanchang Marathon\* (南昌馬拉松), and bidding for other events. As of the date of this interim report, the Company has successfully won the bid for the Tiemenguan Half Marathon\* (鐵門關半程馬拉松) and the Dalian Marathon\* (大連馬拉松).

## OUTLOOK OF THE INDUSTRY AND THE GROUP

The second half of the year will be a relatively busy period for the Group, during which the contracted events and the newly bid events will be held from September to December of the second half of the year, including the Nanchang Marathon\* (南昌馬拉松), the Dalian Marathon\* (大連馬拉松), the Tumushuke Marathon\* (圖木舒克馬拉松), the Lu'an Marathon\* (六安馬拉松), the Tiemenguan Half Marathon\* (鐵門關半程馬拉松), etc. Currently, a multitude of events are in the initial preparatory phases with meticulous arrangements being made. At the same time, the Group is also actively striving for the operation rights of other events in the second half of the year, paying continuous attention to the tendering and bidding work for various events, and actively maintaining close communication with local governments, so as to develop more types of events to serve sports enthusiasts.

With the commencement of the Chengdu Universiade and the Hangzhou Asian Games in the second half of the year, the sports industry will gradually return to its colorful stage before the pandemic. Although it takes time to restore and build market-oriented products, the positive trend of overall development of the sports industry is unstoppable. The Group will, on one hand, actively acquire operation rights of more marathon events in accordance with its strategic positioning. On the other hand, the Group will also strive to develop other sports products and actively diversify its product mix to avoid project homogenisation and better meet the needs of different sports enthusiasts.

\* for the identification purpose only

# Management Discussion and Analysis

In the second half of the year, the Group will further improve the organisational and operational structure of events according to the operating conditions of the events, and establish and enhance standardised practices in the events operation process by recruiting more professionals and establishing long-term and stable cooperation with more third-party professional companies, so as to provide more excellent products and services for customers.

After the pandemic, the sports industry will gradually enter into a period of rapid development, and at such stage, the Group, as a representative enterprise in the industry, will definitely seize the opportunity to contribute its modest efforts to the development of China's sports industry.

## FINANCIAL REVIEW

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

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

### Revenue

The Group's revenue increased by approximately 188.9% to RMB2.6 million for the six months ended 30 June 2023 from RMB0.9 million for the six months ended 30 June 2022, which was mainly due to the increase in the number of events operated as a result of the the gradual resumption of events after the COVID-19 pandemic. Details based on reportable segments are as follows:

- Revenue of the Events Operation and Marketing segment increased by 80.0% to RMB0.9 million for the six months ended 30 June 2023 from RMB0.5 million for the six months ended 30 June 2022; and
- Revenue of the Sports Services segment increased by 325.0% to RMB1.7 million for the six months ended 30 June 2023 from RMB0.4 million for the six months ended 30 June 2022.

### Cost of Services

The Group's cost of services increased by approximately 366.7% to RMB2.8 million for the six months ended 30 June 2023 from RMB0.6 million for the six months ended 30 June 2022, which was mainly due to the increase in the number of events operated as a result of the the gradual resumption of events after the COVID-19 pandemic. Details based on reportable segments are as follows:

- Cost of the Events Operation and Marketing segment increased by approximately 66.7% to RMB1.0 million for the six months ended 30 June 2023 from RMB0.6 million for the six months ended 30 June 2022; and
- Cost of the Sports Services segment increased to RMB1.8 million for the six months ended 30 June 2023 from RMB Nil for the six months ended 30 June 2022.

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

The Group recorded a gross loss of RMB0.2 million for the six months ended 30 June 2023 as compared to a gross profit of RMB0.3 million recorded for the six months ended 30 June 2022. The Group recognised a gross loss margin of 7.7% for the six months ended 30 June 2023 as compared to a gross profit margin of 33.3% for the six months ended 30 June 2022. Details based on reportable segments are as follows:

- As a result of the foregoing changes in revenue and cost of services of the Events Operation and Marketing segment, the gross loss for the Events Operation and Marketing segment amounted to RMB0.1 million for the six months ended 30 June 2023, which was approximately equivalent to that for the six months ended 30 June 2022; and the gross loss margin decreased to 11.11% for the six months ended 30 June 2023 from 20.0% for the six months ended 30 June 2022; and
- As a result of the foregoing changes in revenue and cost of services of the Sports Services segment, the Group recorded a gross loss for the Sports Services segment of RMB0.1 million for the six months ended 30 June 2023 as compared to a gross profit of RMB0.4 million recorded for the six months ended 30 June 2022. The Group recognised a gross loss margin of 5.9% for the six months ended 30 June 2023 as compared to a gross profit margin of 100.0% for the six months ended 30 June 2022. The change from gross profit to gross loss was mainly due to costs incurred by the Group to establish long-term and stable cooperation with more third-party professional companies so as to provide more excellent products and services for customers.

## Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by approximately 63.6% to RMB0.4 million for the six months ended 30 June 2023 from RMB1.1 million for the six months ended 30 June 2022. Despite the increase in the labor costs in the general and administrative expenses as set out below, the decrease in the selling and distribution expenses was mainly attributable to the adjustment of the Group's sales staff structure and the optimisation of labour cost of the sales staff.

## General and Administrative Expenses

The Group's general and administrative expenses increased by approximately 59.9% to RMB21.1 million for the six months ended 30 June 2023 from RMB13.2 million for the six months ended 30 June 2022. The increase was mainly due to the increase of the Group's labor costs in respect of the general and administrative staff as a result of the gradual resumption of events after the COVID-19 pandemic.

## Other Income

The Group's other income increased by approximately 147.8% to RMB5.7 million for the six months ended 30 June 2023 from RMB2.3 million for the six months ended 30 June 2022. The increase was mainly due to the increase in the income generated from the treasury products purchased from reputable financial institutions and in the interest income from short-term bank deposits of United States dollars and British pound sterling.

# Management Discussion and Analysis

## Other Gain/(Loss)

The Group recorded other gain of RMB10.1 million for the six months ended 30 June 2023, representing a change of approximately 180.2% from other loss of RMB12.6 million recorded for the six months ended 30 June 2022. The change was mainly due to the disposal of properties, details of which are set out in the paragraph headed “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 – Disposal of Properties”.

## Loss before Tax

As a result of the foregoing, the Group’s loss before tax decreased by 75.0% to RMB6.4 million for the six months ended 30 June 2023 from a loss before tax of RMB25.6 million for the six months ended 30 June 2022.

## Income Tax Expense

The Group’s income tax expense decreased to RMB Nil for the six months ended 30 June 2023 from RMB6.5 million for the six months ended 30 June 2022. The income tax expense incurred in the same period last year was 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 decreased by approximately 80.1% to RMB6.4 million for the six months ended 30 June 2023 from RMB32.1 million for the six months ended 30 June 2022.

## Other Comprehensive Income/(Expense)

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

## Cash Flow

As at 30 June 2023, the Group’s cash and cash equivalents amounted to approximately RMB206.1 million compared with that of RMB172.4 million as at 31 December 2022. The cash and cash equivalents are denominated in Hong Kong dollars, United States dollars and British pound sterling but presented in the functional currency of RMB by the Group.

## Working Capital

The Group’s net current assets increased by approximately 15.2% to RMB292.4 million as at 30 June 2023 from RMB253.8 million as at 31 December 2022. 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 of the Group.

### Capital Expenditure

There was no capital expenditure on the acquisition of property, plant and equipment by the Group for the six months ended 30 June 2023 (for the six months ended 30 June 2022: RMB Nil).

### Bank Borrowings

There was no bank borrowing of the Company as at 30 June 2023 (as at 30 June 2022: RMB Nil).

### Foreign Exchange

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

### Treasury Policies

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

## LIQUIDITY AND FINANCIAL RESOURCES OF THE GROUP

In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with banks. As at 30 June 2023, the Group had net current assets of RMB292.4 million (31 December 2022: RMB253.8 million), of which cash and cash equivalents amounted to RMB206.1 million (31 December 2022: RMB172.4 million). The cash and cash equivalents are denominated in Hong Kong dollars, United States dollars and British pound sterling but presented in the functional currency of RMB by the Group. As at 30 June 2023, the Group has no bank borrowings.

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

# Management Discussion and Analysis

The Group has not experienced any material impact or effect on its operations or liquidity as a result of fluctuations in foreign exchange rates for the six months ended 30 June 2023, nor has the Group used any financial instruments for hedging purposes as the risk of exposure to fluctuations in exchange rates is comparatively low.

## CAPITAL STRUCTURE OF THE GROUP

The 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 and 2,500,000 shares of the Company were granted on 23 May 2014 and 29 May 2015, respectively, to employees of the Group. As at the date of this interim report, no option has been exercised. Save for the above, there was no alteration in the capital structure of the Group for the six months ended 30 June 2023.

## 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

### Investment in the Trust Schemes

On 23 February 2023, Wisdom Sports Entertainment (Zhejiang) Co., Ltd\* (智美體育文化(浙江)有限公司) (“**Zhejiang Wisdom Sports**”), a wholly-owned subsidiary of the Company, entered into a trust scheme agreement with Minmetals International Trust Co., Ltd.\* (五礦國際信託有限公司) (“**Minmetals International Trust**”), pursuant to which Zhejiang Wisdom Sports agreed to invest in the Minmetals Trust – Jinxiu Zengli No.5 Trust Scheme\* (五礦信託 – 錦繡增利5期集合資金信託計劃) (the “**Minmetals Trust Scheme**”) established by Minmetals International Trust for a total of RMB10.0 million. The Minmetals Trust Scheme invests in bonds in the PRC, which include government bonds, urban investment bonds, bonds listed on stock exchanges and bonds issued by banks. The Minmetals Trust Scheme does not guarantee capital protection or minimum return. The expected annualised rate of return is 4.0% for the period from 24 February 2023 to 25 May 2023.

On 23 February 2023, Beijing Wisdom Media Holding Co., Ltd.\* (北京智美傳媒股份有限公司) (“**Beijing Wisdom Media**”), a wholly-owned subsidiary of the Company, entered into a trust scheme agreement with China Fortune International Trust Co., Ltd.\* (華鑫國際信託有限公司) (“**China Fortune International Trust**”), pursuant to which Beijing Wisdom Media agreed to invest in the China Fortune International Trust – Xinyijia No. 303 Trust Scheme Fourth Unit Trust\* (華鑫信託•信益嘉303號集合資金信託計劃第四信託單元) (the “**China Fortune Trust Scheme**”) established by China Fortune International Trust for a total of RMB10.0 million. The China Fortune Trust Scheme invests in senior and secondary class asset-backed securities with a focus on high-quality asset securitization entities. The China Fortune Trust Scheme does not guarantee capital protection or minimum return. The expected annualised rate of return is 4.3% for the period from 1 March 2023 to 7 June 2023.

The Board is of the opinion that the Minmetals Trust Scheme and China Fortune Trust Scheme are ideal short-term investment opportunities for the Group as they allow the Company to utilize its Renminbi surplus cash reserves more efficiently. Each of the Minmetals Trust Scheme and China Fortune Trust Scheme 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 23 February 2023.

\* for the identification purpose only

## Disposal of Properties

On 11 April 2023, Beijing Wisdom Media (as the vendor) entered into a sale and purchase agreement with Beijing Enze Hengyuan Technology Co., Ltd.\* (北京恩澤恒遠科技有限公司), Beijing Enze Shengqiang Technology Co., Ltd.\* (北京恩澤盛強科技有限公司), Beijing Enze Xingtu Technology Co., Ltd.\* (北京恩澤星圖科技有限公司), Beijing Enze Jiaye Technology Co., Ltd.\* (北京恩澤嘉業科技有限公司), Beijing Enze Guangyu Technology Co., Ltd.\* (北京恩澤廣宇科技有限公司), Beijing Enze Xingchen Technology Co., Ltd.\* (北京恩澤星辰科技有限公司), Beijing Enze Qihang Technology Co., Ltd.\* (北京恩澤起航科技有限公司) and Beijing Enze Haohan Technology Co., Ltd.\* (北京恩澤浩瀚科技有限公司) (together as the purchasers), pursuant to which the purchasers agreed to purchase units 701, 702, 703, 705, 706, 709, 710, 711 of Block 1, 7/F, 16 Xinyuan Lane, Chaoyang District, Beijing, the PRC with an aggregate gross floor area of 1,060.93 sqm. which are for residential use (the “**Properties**”) from Beijing Wisdom Media at a total consideration of approximately RMB32.89 million (the “**Disposals**”). The net proceeds from the Disposals would be used as general working capital of the Group.

The Board is of the opinion that the Disposals represent an opportunity for the Group to realise the value of the Properties under the current situation so as to generate additional working capital for the Group. The Disposals constituted a major transaction of the Company under Chapter 14 of the Listing Rules and had been approved by the shareholders of the Company at the extraordinary general meeting held on 24 May 2023. For details, please refer to the announcements of the Company dated 11 April 2023 and 24 May 2023 as well as the circular of the Company dated 9 May 2023.

Save as disclosed in this interim report, during the six months ended 30 June 2023, the Company had no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures. As at the date of this interim report, the Group has no specific plans for significant investments or acquisitions of material capital assets in the future.

## CHARGE ON ASSETS

As at 30 June 2023, there was no charge on the Group’s assets (for the six months ended 30 June 2022: Nil).

## CONTINGENT LIABILITIES

As at 30 June 2023, the Company had no material contingent liabilities (for the six months ended 30 June 2022: Nil).

## ADVANCE TO ENTITY PROVIDED BY THE COMPANY

### Beijing Allx Loan

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

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

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

\* for the identification purpose only

# Management Discussion and Analysis

## Eastern Green Loan

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

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

The financial advances to entities under Rule 13.20 of the Listing Rules and the details of the above transactions have been disclosed in the announcement of the Company dated 8 August 2023 and the circular of the Company dated 25 August 2023. As at 30 June 2023, the circumstances giving rise to the disclosure under Rule 13.13 of the Listing Rules exist and the advances by the Group to Beijing Allx and to Eastern Green amounted to the principal values of RMB50 million and RMB10 million with maturity dates on or before 31 October 2025 and 30 September 2024 respectively.

## PLEDGING OF SHARES BY CONTROLLING SHAREHOLDERS

As at 30 June 2023, the controlling shareholders had not pledged all or part of their interests in the shares of the Company to secure the Company’s debts or to secure guarantees or other support of their obligations.

## BREACH OF LOAN AGREEMENT

As at 30 June 2023, the Company had not breached any terms of its loan agreements for loans that are significant to its operations.

## LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE

During the six months ended 30 June 2023, the Company had not entered into any loan agreement that includes a condition imposing specific performance obligations on any controlling shareholder and breach of such an obligation will cause a default in respect of loans that are significant to the Company’s operations.

\* *for the identification purpose only*

## FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES BY THE COMPANY

During the six months ended 30 June 2023, the Company had not provided any financial assistance and guarantees to affiliated companies of the Company which is subject to disclosure requirements under Rule 13.22 of the Listing Rules.

## FINANCIAL RATIO

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

Financial ratio	As at 30 June 2023	As at 31 December 2022
Current ratio	<b>1,007.0%</b>	761.1%
Gearing ratio	<b>N/A</b>	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 2023 and 31 December 2022.

## HUMAN RESOURCES

The total number of employees of the Group was 14 as at 30 June 2023 (31 December 2022: 15). The Group implements a remuneration policy that is competitive in the industry, and pays commissions and discretionary bonuses to its sales personnel and other employees with reference to performance of the Group and individual employees. The total cost of the employees for the six months ended 30 June 2023 amounted to RMB9.0 million (31 December 2022: RMB8.9 million).

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

# Management Discussion and Analysis

## CONNECTED TRANSACTIONS AND STRUCTURED CONTRACTS

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

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

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

During the six months ended 30 June 2023, the following entities are operating entities of the Group controlled through the Structured Contracts:

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

\* for the identification purpose only

# Disclosure of Interests

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

As at 30 June 2023, 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 (L)	37.84%
	Interest of controlled corporation ( <i>Note 2</i> )	87,761,000 (L)	5.51%
Ms. Hao Bin	Beneficial owner ( <i>Note 3</i> )	250,000 (L)	0.02%

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

#### 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 included Ms. Ren Wen and her family members. Accordingly, Ms. Ren Wen was deemed or taken to be interested in all the Shares held by Queen Media for the purpose of the SFO.
- Out of the 87,761,000 Shares, 64,971,000 Shares were held by Lucky Go Co., Ltd. and 22,790,000 Shares were held by Top Car Co., Ltd. Ms. Ren Wen held 100% equity interest in Lucky Go Co., Ltd. and 43.69% equity interest in Top Car Co., Ltd., respectively, and hence was deemed or taken to be interested in all the Shares held by Lucky Go Co., Ltd. and Top Car Co., Ltd. for the purpose of the SFO.
- 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 adopted by the Company on 14 June 2013 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	Approximate percentage of shareholding interest
Ms. Ren Wen	Beijing Wisdom Media ( <i>Note 1</i> )	91.54%
	First AI Sports ( <i>Note 2</i> )	91.54%
Mr. Sheng Jie	Beijing Wisdom Media ( <i>Note 1</i> )	8.46%
	First AI Sports ( <i>Note 2</i> )	8.46%

*Notes:*

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

Save as disclosed above, as at 30 June 2023, 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 2023, 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 (L) <i>(Note)</i>	37.84%
Credit Suisse Trust Limited	Trustee	602,780,000 (L) <i>(Note)</i>	37.84%
Brock Nominees Limited	Nominee	602,780,000 (L) <i>(Note)</i>	37.84%
Tenby Nominees Limited	Nominee	602,780,000 (L) <i>(Note)</i>	37.84%
Queen Media	Beneficial owner	602,780,000 (L) <i>(Note)</i>	37.84%

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

*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 2023, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

# Important Events

## SHARE OPTION SCHEME

### Background

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

#### (a) *Who may join*

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

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

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

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

#### (c) *Grant of Options*

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

#### (d) *Timing of exercise of Options*

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

#### (e) *Subscription price*

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

**(f) Life of the Expired Share Option Scheme**

With effect from 1 January 2023, Chapter 17 of the Listing Rules has been amended. As provided under the transitional arrangements under the amended Chapter 17 of the Listing Rules, the Company was allowed to continue to make grants to participants eligible under the Expired Share Option Scheme until the refreshment or expiry of the existing scheme mandate, upon which the Company will be required to amend the terms of the scheme to comply with the amended Chapter 17 of the Listing Rules and seek shareholders' approval for a new scheme mandate.

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

Save as disclosed above, as at 30 June 2023 and up to the date of this interim report, the Company has not adopted any share schemes (as defined under Chapter 17 of the Listing Rules).

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

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

For the six months ended 30 June 2023, no Options granted on 23 May 2014 have been exercised, cancelled, forfeited or lapsed. As at 30 June 2023, 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 Expired Share Option Scheme on 29 May 2015 to employees of the Group. The exercise price of the Options granted is HK\$8.036 per Share and the closing price of the Shares immediately before the date on which the Options were granted was HK\$7.95. Pursuant to the terms of the grant of such Options, 25% of the Options became exercisable on 29 May 2016, 29 May 2017, 29 May 2018 and 29 May 2019, respectively, subject to the satisfaction of the individual performance assessment of the said grantees for the relevant years. For details, please refer to the announcement of the Company dated 29 May 2015.

For the six months ended 30 June 2023, no Options granted on 29 May 2015 have been exercised, cancelled, forfeited or lapsed. As at 30 June 2023, 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 2023***

No Option was granted by the Company during the six months ended 30 June 2023.

***Movement during the six months ended 30 June 2023***

As at 1 January 2023, the number of Options available for grant under the scheme mandate of the Expired Share Option Scheme was 156,290,000. As at 30 June 2023, due to the expiration of the Expired Share Option Scheme, there was no Option available for grant under the Expired Share Option Scheme.

## Important Events

Particulars of the outstanding Options under the Expired Share Option Scheme from 1 January 2023 to 30 June 2023 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 2023	Vested and granted during the period	Exercised during the period	Cancelled/ Forfeited/ Lapsed during the period	Balance as at 30 June 2023	Price per Share immediately before the date of grant	Price per Share on exercise date
Mr. Song Hongfei	23 May 2014	HK\$3.92	From the date the exercise conditions are met to 22 May 2024 <sup>1</sup>	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 to 28 May 2025 <sup>1</sup>	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 2023.

## 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 2023.

## 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 2023 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 2023 (for the six months ended 30 June 2022: Nil).

## EVENTS AFTER THE REPORTING PERIOD

### Change of Address of the Headquarters and Principal Place of Business in the PRC

With effect from 10 August 2023, the address of the headquarters and principal place of business of the Company in the PRC has changed to No. 020, Room 303, 3rd Floor, Block 10, Courtyard No. 2, Shangjialou Road, Chaoyang District, Beijing, the PRC. Please refer to the Company's announcement dated 9 August 2023 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 2023 that will have a material impact on the operation or financial position of the Group.

# Corporate Governance and Other Information

## CORPORATE GOVERNANCE CODE

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

The Company has applied the applicable principles and code provisions as set out in 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 2023 and up to the date of this interim report, 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 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 2023.

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 2023.

## AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) in compliance with Rule 3.21 of the Listing Rules. The terms of reference were amended on 31 March 2016 and 20 December 2018 respectively.

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 2023 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 2023. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

## Corporate Governance and Other Information

### CHANGE IN DIRECTORS' INFORMATION

The changes in information of Directors since the date of the 2022 Annual Report of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

1. Mr. Song Hongfei ceased to be an executive Director and a member of the remuneration committee of the Company with effect from the conclusion of the annual general meeting of the Company held on 28 June 2023 (the "**AGM**") and he remains as the president of the Company.
2. Dr. Shen Wei was appointed as an executive Director and a member of the remuneration committee of the Company with effect from the conclusion of the AGM.

For details of the above change of Directors, please refer to the circular of the Company dated 26 April 2023 and the announcement of the Company dated 28 June 2023.

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

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

For the six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Revenue	5	2,571	897
Cost of services		(2,828)	(638)
<b>Gross (loss)/profit</b>		<b>(257)</b>	259
Other income	6	5,744	2,301
Other gain/(losses)	7	10,108	(12,648)
Selling and distribution expenses		(410)	(1,092)
General and administrative expenses		(21,083)	(13,162)
<b>Loss from operations</b>		<b>(5,898)</b>	(24,342)
Finance cost	8	–	(2)
Share of results of associates		(477)	(1,257)
<b>Loss before tax</b>		<b>(6,375)</b>	(25,601)
Income tax expense	10	–	(6,501)
<b>Loss for the period</b>	11	<b>(6,375)</b>	(32,102)
Attributable to:			
Owners of the Company		(6,375)	(32,084)
Non-controlling interests		–	(18)
		<b>(6,375)</b>	(32,102)

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

For the six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<b>Other comprehensive income/(expense)</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Financial assets at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		910	(10)
Exchange differences on translation from functional currency to presentation currency		11,164	–
<b>Other comprehensive income/(expense) for the period, net of tax</b>		<b>12,074</b>	<b>(10)</b>
<b>Total comprehensive income/(expense) for the period</b>		<b>5,699</b>	<b>(32,112)</b>
Attributable to:			
Owners of the Company		5,699	(32,094)
Non-controlling interests		–	(18)
		<b>5,699</b>	<b>(32,112)</b>
<b>Loss per share attributable to owners of the Company</b>	13		
Basic and diluted (RMB cents)		<b>(0.40)</b>	<b>(2.01)</b>

# Condensed Consolidated Statement of Financial Position

At 30 June 2023

	Note	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	21,113	34,389
Investment properties		–	11,140
Intangible assets		1,193	1,668
Financial assets at fair value through other comprehensive income	15	63,259	62,349
Other receivables	20	62,287	62,063
Investments in associates	16	5,399	5,876
Deferred tax assets		6,720	6,720
Other non-current asset	17	14,104	22,794
<b>Total non-current assets</b>		<b>174,075</b>	<b>206,999</b>
<b>Current assets</b>			
Inventories		2,147	2,147
Financial assets at fair value through profit or loss	18	18,409	13,108
Trade receivables	19	5,155	5,321
Other receivables	20	70,234	75,654
Prepayments and other current assets	21	22,586	23,489
Cash and cash equivalents	22	206,102	172,437
<b>Total current assets</b>		<b>324,633</b>	<b>292,156</b>
<b>TOTAL ASSETS</b>		<b>498,708</b>	<b>499,155</b>

# Condensed Consolidated Statement of Financial Position

At 30 June 2023

	Note	30 June 2023 RMB'000 (unaudited)	31 December 2022 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		464,696	458,997
		467,150	461,451
Non-controlling interests		(680)	(680)
<b>TOTAL EQUITY</b>		<b>466,470</b>	<b>460,771</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	24	4,797	4,784
Other payables and accrued expenses		5,845	11,160
Contract liabilities		927	2,127
Income tax payables		20,669	20,313
<b>Total current liabilities</b>		<b>32,238</b>	<b>38,384</b>
<b>TOTAL LIABILITIES</b>		<b>32,238</b>	<b>38,384</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>498,708</b>	<b>499,155</b>
<b>NET CURRENT ASSETS</b>		<b>292,395</b>	<b>253,772</b>

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Share capital	Share premium	Share-based payments reserve	Statutory reserve	Other reserve	Exchange reserve	Fair value reserve (non-recycling)	Investment properties reserve	Retained profits	Total	NCI	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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
Loss for the period	-	-	-	-	-	-	-	-	(32,084)	(32,084)	(18)	(32,102)
Other comprehensive expense for the period	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	-	-	-	-	-	-	(10)	-	-	(10)	-	(10)
Exchange differences on translation from functional currency to presentation currency	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive expense for the period	-	-	-	-	-	-	(10)	-	(32,084)	(32,094)	(18)	(32,112)
Capital reduction	-	-	-	-	-	-	-	-	17	17	(17)	-
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
At 1 January 2023 (audited)	2,454	54,245	674	136,741	81,902	(433)	10,474	6,967	168,427	461,451	(680)	460,771
Loss for the period	-	-	-	-	-	-	-	-	(6,375)	(6,375)	-	(6,375)
Other comprehensive expense for the period	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	-	-	-	-	-	-	910	-	-	910	-	910
Gains on property revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation from functional currency to presentation currency	-	-	-	-	-	11,164	-	-	-	11,164	-	11,164
Total comprehensive expense for the period	-	-	-	-	-	11,164	910	-	(6,375)	5,699	-	5,699
Reversal of statutory reserve appropriation upon deregistration of subsidiaries	-	-	-	(580)	-	-	-	-	580	-	-	-
Disposal of investment properties	-	-	-	-	-	-	-	(6,967)	6,967	-	-	-
As at 30 June 2023 (unaudited)	2,454	54,245	674	136,161	81,902	10,731	11,384	-	169,599	467,150	(680)	466,470

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations		(5,741)	(21,162)
Income tax paid		-	(6,501)
Net cash used in operating activities		(5,741)	(27,663)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income from treasury products		1,811	431
Interest income from loans to companies		-	1,429
Interest income from short-term bank deposits		-	187
(Increase)/decrease in security trading account's balances		(611)	1,415
Purchases of treasury products		(141,400)	(149,028)
Proceeds from disposal of property, plant and equipment		20,723	-
Proceeds from disposal of investment properties		12,165	-
Proceeds from disposal of treasury products		137,477	164,692
Deposit paid for investment properties		(1,923)	-
Repayment received for loan to a company		-	19,086
Capital reduction		-	17
Refund from acquisition of associate		-	2,372
Net cash generated from investing activities		28,242	40,601
<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>			
Effect of foreign exchange rate changes		11,164	(1,798)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	22	<b>172,437</b>	<b>127,443</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	22	<b>206,102</b>	<b>138,583</b>

# Notes to the Interim Financial Information

For the six months ended 30 June 2023

## 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 No. 020, Room 303, 3rd Floor, Block 10, Courtyard No. 2, Shangjialou Road, 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 2023.

This interim financial information should be read in conjunction with the 2022 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 2022.

## 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 2022. 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 2023 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 2023 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.

# Notes to the Interim Financial Information

For the six months ended 30 June 2023

## 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.

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

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

Description	Fair value measurements as at 30 June 2023			30 June 2023
	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> )	-	-	63,259	63,259
Financial assets at fair value through profit or loss				
– Listed equity securities ( <i>note 18</i> )	6,061	-	-	6,061
– Unlisted equity securities ( <i>note 18</i> )	-	-	1,486	1,486
– Treasury products ( <i>note 18</i> )	-	-	10,862	10,862
<b>Total</b>	<b>6,061</b>	<b>-</b>	<b>75,607</b>	<b>81,668</b>

Description	Fair value measurements as at 31 December 2022			31 December 2022
	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> )	-	-	62,349	62,349
Financial assets at fair value through profit or loss				
– Listed equity securities ( <i>note 18</i> )	6,409	-	-	6,409
– Unlisted equity securities ( <i>note 18</i> )	-	-	1,571	1,571
– Treasury products ( <i>note 18</i> )	-	-	5,128	5,128
<b>Total</b>	<b>6,409</b>	<b>-</b>	<b>69,048</b>	<b>75,457</b>

# Notes to the Interim Financial Information

For the six months ended 30 June 2023

## 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 2023 and 31 December 2022:

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 2023 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 2023 RMB'000 (unaudited)
Financial assets at fair value through profit or loss - treasury products	N/A	N/A	N/A	N/A	10,862
Financial assets at fair value through profit or loss - unlisted equity securities	Adjusted net asset values	N/A	N/A	N/A	1,486
Financial assets at fair value through other comprehensive income - unlisted equity security	Market approach	Volatility of market comparable companies	N/A	Increase	62,595
Financial assets at fair value through other comprehensive income - unlisted equity security	Adjusted net asset values	N/A	N/A	N/A	664

#### 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 2023 and 31 December 2022: (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 2022 RMB'000 (audited)
Financial assets at fair value through profit or loss – treasury products	Adjusted net asset value	N/A	N/A	N/A	5,128
Financial assets at fair value through profit or loss – unlisted equity securities	Adjusted net asset value	N/A	N/A	N/A	1,571
Financial assets at fair value through other comprehensive income – unlisted equity security	Adjusted net asset value	N/A	N/A	N/A	62,134
Financial assets at fair value through other comprehensive income – unlisted equity security	Recent transaction price	N/A	N/A	N/A	215

# Notes to the Interim Financial Information

For the six months ended 30 June 2023

## 4. FAIR VALUE MEASUREMENTS (Continued)

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Financial assets at fair value through profit or loss – treasury products		
At the beginning of the reporting period	5,128	35,426
Addition	141,400	16,000
Disposal during the period/year	(137,477)	(46,298)
Fair value changes recognised in profit or loss	1,811	–
At the end of the reporting period	10,862	5,128

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Financial assets at fair value through profit or loss – unlisted equity securities		
At the beginning of the reporting period	1,571	–
Addition	–	1,073
Fair value changes recognised in profit or loss	(85)	498
At the end of the reporting period	1,486	1,571

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

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Financial assets at fair value through other comprehensive income – unlisted equity securities		
At the beginning of the reporting period	<b>62,349</b>	61,856
Fair value changes recognised in other comprehensive income for the year	<b>910</b>	493
At the end of the reporting period	<b>63,259</b>	62,349

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 2023

### 5. REVENUE

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Events operation and marketing income	903	453
Sports services income	1,668	444
	2,571	897

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Timing of revenue recognition</b>		
– At a point in time	2,454	569
– Over time	117	328
	2,571	897

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 2023 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 (2022: sports services).

## 6. OTHER INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Investment income from treasury products <i>(note (a))</i>	1,811	431
Interest income from loans to companies	1,138	1,429
Interest income from short-term bank deposits	1,090	187
Government grant	–	96
Rental income from investment properties	288	143
Others	1,417	15
	<b>5,744</b>	<b>2,301</b>

Notes:

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

## 7. OTHER GAIN/(LOSSES)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Allowance for impairment of other non-current asset	–	(2,293)
Allowance for impairment of other receivables	(3,757)	(6,570)
Exchange losses	(1,140)	(1,798)
Fair value changes on financial assets at fair value through profit or loss	605	(1,964)
Gain on disposal of investment properties	1,025	–
Gain on disposal of property, plant and equipment	13,614	–
Others	(239)	(23)
	<b>10,108</b>	<b>(12,648)</b>

# Notes to the Interim Financial Information

For the six months ended 30 June 2023

## 8. FINANCE COST

	Six months ended 30 June	
	2023	2022
	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, third-party professional companies and marathon runners in conjunction with sports-related competitions and other events. Types of revenue include mainly events service income, rental income from equipment, and individual consumption income.

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

Segment results are measured as gross (loss)/profit of each segment without allocation of selling and distribution expenses, general and administrative expenses, finance cost, other income, other losses, share of results of associates and income tax 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.

## 9. SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2023 and 2022 is as follows:

### Six months ended 30 June 2023

	Events Operation and Marketing RMB'000 (unaudited)	Sports Services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue	903	1,668	2,571
Cost of services	(1,070)	(1,758)	(2,828)
Segment results	(167)	(90)	(257)
Other income			5,744
Other gain			10,108
Selling and distribution expenses			(410)
General and administrative expenses			(21,083)
Share of results of associates			(477)
Loss for the period			(6,375)

## Notes to the Interim Financial Information

For the six months ended 30 June 2023

### 9. SEGMENT INFORMATION (Continued)

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)

## 10. INCOME TAX EXPENSE

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax	–	(6,501)

No provision for Hong Kong Profits Tax was required since the Group had no assessable profits for the six months ended 30 June 2023 and 2022.

PRC Corporate Income Tax has been provided at a rate of 25% (2022: 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 the following:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Amortisation of intangible assets	475	315
Depreciation of property, plant and equipment	6,136	6,493
Staff costs		
– Salaries, bonuses and allowances	8,855	2,188
– Retirement benefits scheme contributions	130	500
Auditor's remuneration		
– Non-audit related services	400	440
Allowance for impairment of other receivables, net	3,757	6,570
Allowance for impairment of other non-current asset	–	2,293

# Notes to the Interim Financial Information

For the six months ended 30 June 2023

## 12. DIVIDENDS

The Board of Directors does not recommend the payment of any dividend in respect of the six months ended 30 June 2023 and 2022.

## 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	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Loss attributable to owners of the Company</b>		
Loss for the purpose of calculating basic and diluted loss per share	(6,375)	(32,084)
<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 2023 and 2022.

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

During the year ended 31 December 2022, the Group reclassified the property, plant and equipment at the amount of RMB1,377,000 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 reason 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.

During the six months ended 30 June 2023, all the buildings were disposed. A gain on disposal of property, plant and equipment of RMB13,614,000 were recognised in profit or loss.

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Unlisted equity securities	<b>63,259</b>	62,349

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 2023, the fair value of this financial asset is RMB62,595,000 (31 December 2022: RMB62,134,000) accounting for 12.6% (31 December 2022: 12.4%) of the Group’s total assets. Unrealised gain of RMB461,000 (2022: unrealised loss of RMB10,000) arising from the remeasurement of this financial asset was recognised in the fair value reserve (non-recycling) in other comprehensive income. The Group maintains to hold this financial asset for strategic purposes since initial recognition to generate long-term capital growth.

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

## 16. INVESTMENTS IN ASSOCIATES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Unlisted investments:		
Cost of investments in associate	<b>15,693</b>	45,740
Accumulated impairment losses	<b>(10,294)</b>	(39,864)
	<b>5,399</b>	5,876

# Notes to the Interim Financial Information

For the six months ended 30 June 2023

## 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 2023, RMB800,000 (31 December 2022: 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) During the six months ended 30 June 2023, Yuan Tong Global Financial Group ("**Yuan Tong Global**") issued ordinary shares of 32,439,900. The Group's equity interest in Yuan Tong Global was from 34% to approximately 0.0001%. Such changes was a deemed disposal of interest in an associate in accordance with HKAS 28. The equity interest of Yuan Tong Global was then transferred to a financial asset at fair value through profit or loss during the six months ended 30 June 2023. Since the interest in an associate of Yuan Tong Global was fully impaired during the year ended 31 December 2022, there is no gain or loss on the disposal of interest in an associate of Yuan Tong Global during the six months ended 30 June 2023.

## 17. OTHER NON-CURRENT ASSET

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Earnest money paid for potential equity investment (notes (a))	5,000	18,000
Deposit paid for investment properties (note (b))	6,104	4,181
Prepayment for investment in film production (note (c))	3,000	3,000
Allowance for impairment	–	(2,387)
	<b>14,104</b>	<b>22,794</b>

### Notes:

- (a) Due to the interruption of the outbreak of COVID-19, certain investment criteria of a potential equity investment amounting to RMB13,000,000 has yet to be fulfilled during the six months ended 30 June 2023 and year ended 31 December 2022 and up to the date of this report. The potential equity investment of RMB13,000,000 was terminated and transferred to other receivable during the year. RMB5,000,000 was paid for another potential equity investment during the year ended 31 December 2022.
- (b) This is for the acquisition of investment properties and will be utilised upon completion.
- (c) During the year ended 31 December 2022, the Group entered an investment agreement for a film production with an independent third party. Pursuant to the investment agreement, the Group would invest RMB6,000,000 in return of 12.5% of profit sharing of the film. As at 30 June 2023, RMB3,000,000 of the investment cost was paid as the prepayment and the film production has not yet commenced. In the opinion of directors, the film production are expected to be completed by end of 2023.

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Listed equity securities		
– Hong Kong	1,829	2,252
– the PRC	4,232	4,157
	<b>6,061</b>	<b>6,409</b>
Unlisted equity securities	1,486	1,571
Treasury products	10,862	5,128
	<b>18,409</b>	<b>13,108</b>

## Notes to the Interim Financial Information

For the six months ended 30 June 2023

### 19. TRADE RECEIVABLES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Trade receivables	17,785	17,951
Allowance for impairment of trade receivables	(12,630)	(12,630)
	<b>5,155</b>	5,321

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 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Within 1 month	88	3,461
1 to 3 months	-	-
4 to 6 months	44	-
7 to 12 months	3,461	371
Over 1 year	1,562	1,489
	<b>5,155</b>	5,321

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

## 20. OTHER RECEIVABLES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Cash held at security trading accounts	5,128	4,517
Deposits with media companies and event organisation companies	318	318
Advance to employees	309	300
Amount due from a controlling shareholder	3,081	2,812
Deposits	30	35
Amounts due from related companies	1,014	1,214
Redemption receivables from fund investment	32,845	43,850
Fund investment in a partnership	38,563	38,563
Loans to companies ( <i>note (a)</i> )	78,412	78,276
Others	13,508	1,619
Allowance for impairment of other receivables	(40,687)	(33,787)
	132,521	137,717
Non-current portion	(62,287)	(62,063)
<b>Total current portion</b>	<b>70,234</b>	<b>75,654</b>
<b>Non-current portion</b>		
Loan to companies ( <i>note (a)</i> )	62,287	62,063
<b>Total non-current portion</b>	<b>62,287</b>	<b>62,063</b>

Note:

- (a) As at 30 June 2023, the balance represents loans to independent third parties and the business partners of the Group. The loan periods ranging from 2 months to 3 years with fixed interest rates ranging from 3.00% to 4.75% (31 December 2022: 3.00% to 4.75%) per annum. The loan balance of RMB 69,632,000 (31 December 2022: RMB 69,496,000) are pledged with properties located in the PRC.

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

# Notes to the Interim Financial Information

For the six months ended 30 June 2023

## 21. PREPAYMENT AND OTHER CURRENT ASSETS

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Prepayment for sport competition and event organisation expenses	12,568	13,783
Value-added and other taxes' credits	9,207	9,207
Others	811	499
	<b>22,586</b>	23,489

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

## 22. CASH AND CASH EQUIVALENTS

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Cash on hand	39	36
Bank balances	206,063	172,401
Cash and cash equivalents	<b>206,102</b>	172,437

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 2022: 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 2022 (audited), 30 June 2022 (unaudited), 1 January 2023 (audited) and 30 June 2023 (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 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Trade payables	4,797	4,784

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 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Within 1 month	12	–
1 to 3 months	–	–
4 to 6 months	–	–
7 to 12 months	–	–
Over 1 year	4,785	4,784
	4,797	4,784

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

## 25.CONTINGENT LIABILITY

As at 30 June 2023 and 31 December 2022, the Group did not have any material contingent liability.

# Notes to the Interim Financial Information

For the six months ended 30 June 2023

## 26. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Directors' fees	372	350
Salaries and allowances	7,813	1,303
Retirement benefit scheme contributions	67	67
	<b>8,252</b>	<b>1,720</b>

## 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.