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中國前沿科技集團

China Frontier Technology Group

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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1661)

DISCLOSEABLE TRANSACTION DISPOSAL OF SUBSIDIARY AND ASSIGNMENT OF PREPAYMENT

THE DISPOSAL

The Board is pleased to announce on 24 December 2025, the Vendor entered into the Sales and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares, representing entire issued share capital of the Target Company, for HK\$8 million, subject to the terms and conditions of Sales and Purchase Agreement. Also, certain prepayment (the “**Prepayment**”) currently held by the Target Group shall be assigned to Shenzhen Qianke, a subsidiary of the Company pursuant to the Sales and Purchase Agreement.

Upon Completion, the Company will no longer hold any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group upon Completion.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the shareholders’ approval requirement thereunder. None of the Directors has any material interest in the Disposal, the Sales and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting on the Board resolutions approving the Sales and Purchase Agreement and the transactions contemplated thereunder.

As the completion of the Disposal is subject to the satisfaction or waiver (where applicable) of the Conditions Precedent, therefore, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

THE SALES AND PURCHASE AGREEMENT

The principal terms of the Sales and Purchase Agreement are set out as follows:

Date

24 December 2025

Parties

- (a) The Purchaser; and
- (b) The Vendor.

(collectively as the “Parties”, each individually as a “Party”)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its respective ultimate beneficial owner is an Independent Third Party.

Assets to be disposed

The Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares, representing the entire issued share capital of the Target Company. The Prepayment, with an aggregate book value of RMB96,230,400 (equivalent to HK\$105,759,000) shall be assigned to Shenzhen Qianke, and shall not form part of the assets to be acquired by the Purchaser.

Consideration and adjustment

The Consideration for the Sale Shares is HK\$8 million.

The Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser with reference to (i) the unaudited adjusted net asset value of the Target Group amounting to approximately HK\$54.2 million; (ii) the financial position of the Target Group including but not limited to the decrease in revenue from the media content production and distribution; (iii) the second consecutive year’s net loss from operations; and (iv) the reasons stated in the section headed “Reasons for and Benefits of the Disposal” of this announcement.

Conditions Precedent

Each of the Completions shall be conditional upon the following:

- (a) The Vendor undertakes to ensure the Target Company indirectly holding 100% equity interest in Frontier Artificial Intelligence (Shenzhen) Co., Ltd., on the Completion Date;
- (b) the Purchaser agrees to purchase, and the Vendor agrees to sell, the Sale Shares free of any encumbrances, and all rights of any nature that may be attached to or arising with respect to the Sale Shares at or after the Completion Date, including (but not limited to) all dividends and distributions declared, paid or made in respect of the Sale Shares on or after the Completion Date (if any), pursuant to the terms of the Sales and Purchase Agreement;
- (c) The Parties hereby agree and acknowledge that the Purchaser (or its designated company) will pay the Vendor HK\$8 million cash upon Completion;
- (d) The Purchaser unconditionally agrees and acknowledges that the Vendor will, on or before the Completion Date, assign the Prepayment to Shenzhen Qianke;
- (e) there being no applicable law, rule, regulation, order, injunction, decree or judgment of any court or other governmental authorities which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated under the Sales and Purchase Agreement; and
- (f) the Vendors' warranties contained in the Sales and Purchase Agreement remaining true and accurate and not misleading in any material respect as given as of the date of the Sales and Purchase Agreement and at all times up to and including the Completion Date.

The Vendor and the Purchaser may, in writing, waive in whole or in part any of the Conditions Precedent contemplated under (b) and (f) above. Other than the aforesaid, none of the Conditions Precedent may be waived.

As at the date of this announcement, (i) the Directors have not been aware of applicable law, rule, regulation, order, injunction, decree or judgment of any court or other governmental authorities which prohibits, restricts or imposes conditions or limitations on the Completion (other than those set out under the Conditions Precedent above in the Sales and Purchase Agreement); and (ii) the respective representations, warranties and undertakings made by the Purchaser and the Vendor are true, accurate and not misleading with respect to the Disposal and the transactions contemplated thereunder.

As at the date of this announcement, Conditions Precedent contemplated under (a), (e) and (f) above are fulfilled.

If any of the Conditions Precedent is not fulfilled (or as the case may be, waived) on or before 31 March 2026 (i.e. the long stop date contemplated under the Sales and Purchase Agreement for the fulfillment of the above conditions for the Disposal), or such later date as the parties to the Sales and Purchase Agreement may agree in writing, the Sales and Purchase Agreement shall be terminated, and all rights, obligations and liabilities of the parties thereto shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the Sales and Purchase Agreement.

Completion

Subject to the satisfaction or waiver (if applicable) of the Conditions Precedent set out in the Sales and Purchase Agreement, Completion shall take place on the Completion Date or such other date or time as may be mutually agreed by the Vendor and the Purchaser in writing.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the BVI with limited liability and is principally engaged in media content production and distribution.

Financial Information of the Target Company

Set below is the unaudited financial information of the Target Group for the financial years ended 31 December 2023 and 2024.

	For the year ended 31 December 2023 (unaudited) (HK\$'000)	For the year ended 31 December 2024 (unaudited) (HK\$'000)
Net loss before tax	95,637	33,641
Net loss after tax	102,306	33,682

The adjusted unaudited net assets value of Target Group as at 30 November 2025 with the exclusion of Prepayment were approximately HK\$54.2 million.

After taking into account the unaudited carrying value of the Target Group and the assignment of the Prepayment and the transaction cost, the Group is expected to recognise an estimated net loss of approximately RMB46.2 million. The actual loss is subject to audit and may be different from the estimated amount, as it will depend on the final net asset value of the Target Group and the Prepayment as at the Completion Date.

After deducting the expenses related to the Disposal, the Group expects that the net proceeds from the Disposal is approximately HK\$8 million. The Group intends to use the net proceeds as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company principally engaged in the provision of event services, programme production and branding services in the PRC.

The Disposal forms part of the Group's ongoing business optimisation initiatives. Following a regular review of the Group's business portfolio, the Board is of the view that the Target Company's business has limited prospects for further strategic development within the Group given its net loss position for two consecutive years and the continued financial resources required to maintain its operations. Accordingly, the Disposal enables the Group to rationalise its asset allocation and focus on areas and business with stronger growth potential.

The Disposal also enhances the Group's overall financial flexibility by removing a loss-making business and allowing the Group to redeploy internal resources to support the development of its event hosting and trading of functional material segments.

In view of the above, the Directors are of the view that the terms of the Disposal, including the consideration and the arrangements in respect of the Prepayment, are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE VENDOR AND THE PURCHASER

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the provision of events operation and marketing services, sports services and trading of functional material in the PRC and Hong Kong.

The Purchaser is an investment holding company incorporated in the BVI with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and the ultimate beneficial owner of the Purchaser are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement thereunder. None of the Directors has any material interest in the Disposal, the Sales and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting on the Board resolutions approving the Sales and Purchase Agreement and the transactions contemplated thereunder.

As the completion of the Disposal is subject to the satisfaction or waiver (where applicable) of the Conditions Precedent, therefore, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company” or “Vendor”	China Frontier Technology Group, a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on Main Board of the Stock Exchange (stock code: 1661)
“Completion”	completion of the Sales and Purchase Agreement
“Completion Date”	25 December 2025 or such later date as the parties to the Sales and Purchase Agreement may agree in writing
“Conditions Precedent”	conditions precedent to the Completion as set out under the paragraph headed “Conditions Precedent”
“Consideration”	HK\$8 million
“Disposal”	the sale of the Sale Shares and the assignment of Prepayment as described herein
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2026
“Purchaser”	Crestwell International Limited, a company incorporated in the BVI with limited liability and an Independent Third Party
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Prepayment”	RMB96,230,400 (equivalent to HK\$105,759,000) prepayment from Super Intelligent Technology Holdings (Shenzhen) Co., Ltd. (超智科技控股(深圳)有限公司), pursuant to an equipment purchase contract entered into by Frontier Artificial Intelligence (Shenzhen) Co., Ltd. (前沿人工智能(深圳)有限公司), a subsidiary of the Target Group which will be assigned to Shenzhen Qianke pursuant to the Sales and Purchase Agreement
“Sale Shares”	being the entire issued shares of the Target Company
“Sales and Purchase Agreement”	the sales and purchase agreement entered into between the Vendor and the Purchaser on 24 December 2025 in respect of the disposal of the Sale Shares and the assignment of the Prepayment
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shenzhen Qianke ”	Shenzhen Qianke Innovation Intelligent (Shenzhen) Co., Ltd.* (深前科創智能(深圳)有限公司), a company incorporated in PRC with limited liability, a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Torch Media Co., Ltd., a wholly-owned subsidiary of the Company as at the date of this announcement, incorporated in the BVI
“Target Group”	The Target Company and its subsidiaries
“%”	per cent

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

Hong Kong, 24 December 2025

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

* for identification purposes only