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01661.HK

中國前沿科技集團

China Frontier Technology Group

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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1661)

**(1) PROPOSED SHARE CONSOLIDATION;
(2) INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(3) CHANGE IN BOARD LOT SIZE**

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 1,902,942,000 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 190,294,200 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at US\$1,000,000 but will be divided into 400,000,000 Consolidated Shares of US\$0.0025 each.

INCREASE IN AUTHORISED SHARE CAPITAL

Upon the completion of the Share Consolidation, the authorised share capital of the Company would be US\$1,000,000 divided into 400,000,000 Consolidated Shares of US\$0.0025 each. In order to provide the Company with greater flexibility to raise funds in the future, the Board proposes to increase the authorised share capital of the Company from US\$1,000,000 divided into 400,000,000 Consolidated Shares of US\$0.0025 each to US\$5,000,000 divided into 2,000,000,000 Shares of US\$0.0025 each by the creation of an additional 1,600,000,000 Consolidated Shares.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 1,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 1,000 Existing Shares to 6,000 Consolidated Shares. Based on the closing price of HK\$0.121 per Existing Share (equivalent to the theoretical closing price of HK\$1.21 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 1,000 Existing Shares is HK\$121; (ii) the value of each board lot of 1,000 Consolidated Shares would be HK\$1,210 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 6,000 Consolidated Shares would be HK\$7,260 on the assumption that the Change in Board Lot Size had also become effective.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Increase in Authorised Share Capital. A circular containing, among other things, further details of the proposed Share Consolidation, the Increase in Authorised Share Capital, the Change in Board Lot Size and the notice convening the EGM is expected to be despatched to the Shareholders on or before Thursday, 5 December 2024.

Shareholders should take note that the Share Consolidation, the Increase in Authorised Share Capital and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation, the Increase in Authorised Share Capital and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is US\$1,000,000 divided into 4,000,000,000 Shares of US\$0.00025 each, and there are 1,902,942,000 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 190,294,200 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at US\$1,000,000 but will be divided into 400,000,000 Consolidated Shares of US\$0.0025 each.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

INCREASE IN AUTHORISED SHARE CAPITAL

Upon the completion of the Share Consolidation, the authorised share capital of the Company would be US\$1,000,000 divided into 400,000,000 Consolidated Shares of US\$0.0025 each. In order to provide the Company with greater flexibility to raise funds in the future, the Board proposes to increase the authorised share capital of the Company from US\$1,000,000 divided into 400,000,000 Consolidated Shares of US\$0.0025 each to US\$5,000,000 divided into 2,000,000,000 Shares of US\$0.0025 each by the creation of an additional 1,600,000,000 Consolidated Shares.

The proposed Increase in Authorised Share Capital of the Company is subject to the approval of the Shareholders by way of an ordinary resolution at the forthcoming EGM.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 1,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 1,000 Existing Shares to 6,000 Consolidated Shares. Based on the closing price of HK\$0.121 per Existing Share (equivalent to the theoretical closing price of HK\$1.21 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 1,000 Existing Shares is HK\$121; (ii) the value of each board lot of 1,000 Consolidated Shares would be HK\$1,210 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 6,000 Consolidated Shares would be HK\$7,260 on the assumption that the Change in Board Lot Size had also become effective.

EFFECTS OF THE SHARE CONSOLIDATION AND THE INCREASE IN AUTHORISED SHARE CAPITAL

The following table sets out the effect of the Share Consolidation and the Increase in Authorised Share Capital on the share capital of the Company before and after the implementation of the Share Consolidation and the Increase in Authorised Share Capital, assuming that there is no change in the issued share capital of the Company from the date of this announcement until the effective date of the Share Consolidation and the Increase in Authorised Share Capital.

	As at the date of this announcement	Immediately after the Share Consolidation becoming effective	Immediately after the Share Consolidation and the Increase in Authorised Share Capital becoming effective
Authorised share capital	US\$1,000,000 divided into 4,000,000,000 Existing Shares	US\$1,000,000 divided into 400,000,000 Consolidated Shares	US\$5,000,000 divided into 2,000,000,000 Consolidated Shares
Issued and fully paid up or credited as fully paid up share capital	US\$475,735.50 divided into 1,902,942,000 Existing Shares	US\$475,735.50 divided into 190,294,200 Consolidated Shares (Note)	US\$475,735.50 divided into 190,294,200 Consolidated Shares (Note)
Unissued share capital	US\$524,264.50 divided into 2,097,058,000 Existing Shares	US\$524,264.50 divided into 209,705,800 Consolidated Shares (Note)	US\$4,524,264.50 divided into 1,809,705,800 Consolidated Shares (Note)

Note: Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Share Consolidation and the Increase in Authorised Share Capital becomes effective.

Adjustments in Relation to Other Securities of the Company

As at the date of this announcement, the Company has outstanding share options entitling the holders thereof to subscribe for a total of 150,000 Existing Shares. Under the respective terms and conditions of the Share Option Scheme, the Share Consolidation may lead to adjustments to the number of Shares subject to the share options so far as unexercised and/or the exercise price.

Upon the Share Consolidation becoming effective, the following adjustments will be made to the exercise price of the share options and the number of Consolidated Shares falling to be issued upon the exercise of the share options in accordance with (i) the terms and conditions of the Share Option Scheme; (ii) Rule 17.03(13) of the Listing Rules and (iii) the Supplementary Guidance on Adjustments to the Exercise Price and Number of Share Options under the Listing Rule Requirements dated 5 September 2005 (the “**Supplementary Guidance**”).

Date of Grant	Exercise Period		Immediately before the Share Consolidation becoming effective	Immediately after the Share Consolidation becoming effective
	From	To	Exercise price per Existing Share	Exercise price per Consolidated Share
			Number of Existing Shares to be issued upon full exercise of the Share Options	Number of Consolidated Shares to be issued upon full exercise of the Share Options
29 May 2015	29 May 2016, 29 May 2017, 29 May 2018 and 29 May 2019	28 May 2025	HK\$8.036	150,000
				HK\$80.36
				15,000

The above adjustments in relation to the share options will take effect simultaneously with the coming into effect of the Share Consolidation on Friday, 27 December 2024. Save for the above adjustments, all other terms and conditions of the outstanding share options remain unchanged.

The auditors of the Company has confirmed to the Directors in writing that the adjustments made to the exercise prices of the share options and the number of Consolidated Shares falling to be issued upon the exercise of the share options are in accordance with the terms of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the Supplementary Guidance.

Save as disclosed above, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the date of this announcement.

REASONS FOR THE SHARE CONSOLIDATION, THE INCREASE IN AUTHORISED SHARE CAPITAL AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Moreover, pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020, it stated that (i) market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) the expected board lot value per board lot should be greater than HK\$2,000 after taking into account the minimum transaction costs for a securities trade.

Also, in order to provide the Company with greater flexibility to raise funds in the future, the Board proposes to increase the authorised share capital of the Company from US\$1,000,000 divided into 400,000,000 Consolidated Shares of US\$0.0025 each to US\$5,000,000 divided into 2,000,000,000 Shares of US\$0.0025 each by the creation of an additional 1,600,000,000 Consolidated Shares after the implementation of the Share Consolidation.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation and Change in Board Lot Size will (i) enable the Company to comply with the trading requirements pursuant to the Listing Rules and reduce the overall transaction and handling costs of dealings in the Consolidated Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade; and (ii) maintain the trading amount for each board lot at a reasonable level and attract a broader range of investors, and therefore further broaden the shareholder base of the Company.

In view of the above, the Company considers that (i) the Share Consolidation and Change in Board Lot Size are reasonable notwithstanding the potential costs including but not limited to the professional fees and printing charge to be incurred in relation to the Share Consolidation and Change in Board Lot Size and impact arising from creation of odd lots to Shareholders; and (ii) the Increase in Authorised Share Capital will provide the Company with greater flexibility in possible fund raisings in the future. Accordingly, the Board considers that the Share Consolidation, the Increase in Authorised Share Capital and the Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no concrete plans to carry out other corporate actions or intend to carry out any fund-raising activities which may affect the trading in the Consolidated Shares in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fundraising opportunities arise for future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

Conditions of the Share Consolidation and the Increase in Authorised Share Capital

The implementation of the Share Consolidation and the Increase in Authorised Share Capital is conditional upon:

- (i) the passing of their respective ordinary resolutions by the Shareholders at the EGM to approve the Share Consolidation and the Increase in Authorised Share Capital;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation and the Increase in Authorised Share Capital becoming effective and, if required, the Consolidated Shares which may fall to be allotted and issued upon exercise of the share options to be granted under the Share Option Scheme of the Company;
- (iii) the compliance with all relevant procedures and requirements under the applicable the laws in Cayman Islands and the Listing Rules to effect the Share Consolidation and the Increase in Authorised Share Capital; and
- (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation and the Increase in Authorised Share Capital.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Further details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders. Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Friday, 27 December 2024, Shareholders may on or after Friday, 27 December 2024 and until Friday, 7 February 2025 (both days inclusive), submit their existing share certificates for the Existing Shares (in green colour) to the Company's branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for exchange for new share certificates for the Consolidated Shares (in light blue colour) at the expense of the Company. Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.5 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Share Registrar for exchange of new share certificates. After 4:10 p.m. on Wednesday, 5 February 2025, trading will only be in Consolidated Shares which share certificates will be issued in light blue colour. Existing share certificates in green colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title, and may be exchanged for share certificates for the Consolidated Shares at any time at the expenses of the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation, the Increase in Authorised Share Capital and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Date and Time
Despatch date of circular with notice of the EGM.	On or before Thursday, 5 December 2024
Latest time for lodging transfers of shares in order to qualify for attendance and voting at the EGM.	4:30 p.m. on Wednesday, 18 December 2024
Closure of register of members for determining the entitlement to attend and vote at the EGM (both days inclusive)	Thursday, 19 December 2024 to Monday, 23 December 2024
Latest time for lodging forms of proxy for the EGM.	3:00 p.m. on Saturday, 21 December 2024
Date and time of the EGM and publication of the poll results announcement of the EGM.	3:00 p.m. on Monday, 23 December 2024

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation, the Increase in Authorised Share Capital and the Change in Board Lot as set out in this announcement.

Effective date of the Share Consolidation and
the Increase in Authorised Share Capital Friday, 27 December 2024

First day of free exchange of existing share certificates
for new share certificates for Consolidated Shares Friday, 27 December 2024

Dealing in the Consolidated Shares commences 9:00 a.m. on Friday,
27 December 2024

Original counter for trading in the Existing Shares
in board lots of 1,000 Existing Shares
(in the form of existing share certificates)
temporarily closes 9:00 a.m. on Friday,
27 December 2024

Temporary counter for trading in the Consolidated
Shares in board lots of 100 Consolidated Shares
(in the form of existing share certificates) opens 9:00 a.m. on Friday,
27 December 2024

Original counter for trading in the Consolidated Shares
in new board lots of 6,000 Consolidated Shares
(in the form of new share certificates for the
Consolidated Shares) re-opens 9:00 a.m. on Monday,
13 January 2025

Parallel trading in the Consolidated Shares
(in the form of new share certificates for the
Consolidated Shares and existing share certificates)
commences 9:00 a.m. on Monday,
13 January 2025

Designated broker starts to stand in the market to
provide matching services for odd lots of the
Consolidated Shares 9:00 a.m. on Monday,
13 January 2025

Designated broker ceases to stand in the market to
provide matching services for odd lots of the
Consolidated Shares 4:00 p.m. on Wednesday,
5 February 2025

Temporary counter for trading in the Consolidated
Shares in board lots of 100 Consolidated Shares
(in the form of existing share certificates) closes. 4:10 p.m. on Wednesday,
5 February 2025

Parallel trading in the Consolidated Shares
(in the form of new share certificates for the
Consolidated Shares and existing share certificates) ends 4:10 p.m. on Wednesday,
5 February 2025

Last day for free exchange of existing share certificates
for new share certificates for the Consolidated Shares Friday, 7 February 2025

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Increase in Authorised Share Capital. A circular containing, among other things, further detail of the proposed Share Consolidation, the Increase in Authorised Share Capital and the Change in Board Lot Size and the notice convening the EGM is expected to be despatched to the Shareholders on or before Thursday, 5 December 2024.

Shareholders should take note that the Share Consolidation, the Increase in Authorised Share Capital and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation, the Increase in Authorised Share Capital and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday or any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m. in Hong Kong) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 1,000 Existing Shares to 6,000 Consolidated Shares upon Share Consolidation becoming effective
“Company”	China Frontier Technology Group, a company incorporated in the Cayman Islands with limited liability and its issued Shares are listed on Main Board of the Stock Exchange (stock code: 1661)
“Consolidated Share(s)”	ordinary share(s) of US\$0.0025 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other things, the proposed Share Consolidation and the Increase in Authorised Share Capital
“Existing Share(s)”	ordinary share(s) of US\$0.00025 each in the existing share capital of the Company before the Share Consolidation becoming effective
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from US\$1,000,000 divided into 400,000,000 Consolidated Shares after Share Consolidation to US\$5,000,000 divided into 2,000,000,000 Shares by creating an additional 1,600,000,000 Shares
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)

“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 14 June 2013
“Share Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Shareholder(s)”	registered holder(s) of the issued Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	U.S. dollar(s), the lawful currency of the United States

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

Hong Kong, 15 November 2024

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