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WISDOM SPORTS GROUP
智美體育集團

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1661)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Quasar Securities Co., Limited

THE PLACING

The Board is pleased to announce that on 11 February (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to an aggregate of 318,588,400 Placing Shares to not less than six Placees at a price of HK\$0.232 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum of 318,588,400 Placing Shares under the Placing represent: (i) approximately 20% of the issued share capital of the Company of 1,592,942,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of 1,911,530,400 Shares as enlarged by the issue of all Placing Shares.

The Placing Price of HK\$0.232 per Placing Share represents: (i) a discount of approximately 17.14% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on 11 February 2021, being the date of the Placing Agreement; and (ii) a discount of approximately 19.8% to the average closing price per Share of HK\$0.29 as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Placing Agreement.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the aggregate gross proceeds from the Placing will be approximately HK\$73,912,509. The net proceeds from the Placing (after deduction of placing commission and other costs and expenses) are estimated to be approximately HK\$71,695,134, representing a net issue price of approximately HK\$0.225 per Placing Share. The net proceeds from the Placing are intended to be used for general working capital of the Group.

The Placing is not subject to the approval of the Shareholders as the Placing Shares will be allotted and issued under the General Mandate.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

Shareholders and potential investors of the Company shall be aware that completion of the Placing is subject to the fulfilment of the condition precedent set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

THE PLACING AGREEMENT

Date

11 February (after trading hours)

Issuer

The Company

Placing Agent

Quasar Securities Co., Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of and not connected with or acting in concert with the Company, its connected persons and their respective associates (as defined under the Listing Rules).

Placees

It is expected that the Placing Shares will be placed to not less than six Placees, who will be any individual, corporate, institutional investors or other investors, who and whose ultimate beneficial owners are (i) independent of the Group, its connected persons and their respective associate(s) (as defined in the Listing Rules); and (ii) independent of and not parties acting in concert with any persons, other Placee(s) or shareholders of the Company.

In the event that the number of Placees falls below six, information of the Placees will be disclosed in further announcement of the Company in accordance with the Listing Rules.

If any of the Placees will become a substantial Shareholder immediately after completion of the Placing, further announcement will be made by the Company in compliance with the Listing Rules.

Placing Shares

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six Placees to subscribe for a maximum number of 318,588,400 Placing Shares.

As at the date of this announcement, the Company has 1,592,942,000 Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum of 318,588,400 Placing Shares under the Placing represents: (i) approximately 20% of the issued share capital of the Company of 1,592,942,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of 1,911,530,400 Shares as enlarged by the issue of all Placing Shares.

Placing Price

The Placing Price of HK\$0.232 per Placing Share represents:

- (i) a discount of approximately 17.14% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on 11 February 2021, being the date of the Placing Agreement; and
- (ii) a discount of approximately 19.8% to the average closing price per Share of HK\$0.29 as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined with reference to, amongst other things, the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable and that the Placing is in the interests of the Company and its Shareholders as a whole.

Condition precedent to the Placing Agreement

Completion of the Placing Agreement is conditional upon the satisfaction of the condition that the granting by the Listing Committee of the listing of and permission to deal in all of the Placing Shares having been obtained.

The condition above cannot be waived by any party. If the conditions precedent to the Placing Agreement are not fulfilled prior to the Long Stop Date, all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties to the Placing Agreement shall have any claim against the other in relation to the Placing Agreement save for any antecedent breach of the Placing Agreement.

Termination

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (i) there is any material change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (ii) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material. Further, the Company may, at its sole discretion, delay, suspend or terminate the Placing at any time up to 8:00 a.m on the Completion Date.

Upon termination of the Placing Agreement, all liabilities of the Placing Agent and the Company thereunder shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion

Completion of the Placing will take place on the Completion Date or such other date as the Company and the Placing Agent may agree in writing.

Placing commission

The Placing Agent will charge a placing commission equivalent to 3.0% of the aggregate amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed.

The Directors consider that the placing commission is on normal commercial terms and is fair and reasonable after taking into account the size of the Placing and the time allowed for the Placing Agent to procure the prospective placing.

Ranking of Placing Shares

The Placing Shares under the Placing, when issued and fully paid, will rank *pari passu* to the issued and existing Shares in all respects as at the Completion Date.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

GENERAL MANDATE

The Placing Shares will be allotted and issued under the General Mandate. As at the date of this announcement, the General Mandate has not been utilised since it was granted and the maximum number of the new Shares that could be allotted, issued and dealt with by the Directors under the General Mandate is 318,588,400 Shares. As the Placing Shares will be allotted and issued under the General Mandate, the Placing is not subject to the approval of the Shareholders.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The Group is a leading sports industry group in the PRC engaged in the operation and marketing of sports events and provision of sports services, with a special emphasis on the development and extension of the sports industry chain. In view of the recent market conditions, the Directors consider that the Placing represents good opportunity for the Company to raise funding to support the Group's continuous development and business growth, which is in the interest of the Company and its

Shareholders as a whole. Apart from further strengthening the capital base and financial position of the Company, the Placing will also broaden the Shareholder base of the Company and improve the liquidity of the Shares.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the aggregate gross proceeds from the Placing will be approximately HK\$73,912,509. The net proceeds from the Placing (after deduction of placing commission and other costs and expenses) are estimated to be approximately HK\$71,695,134, representing a net issue price of approximately HK\$0.225 per Placing Share. The net proceeds from the Placing are intended to be used for general working capital of the Group.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

EFFECT OF THE PLACING ON SHAREHOLDING

As at the date of this announcement, the Company has 1,592,942,000 Shares in issue. Assuming all the Placing Shares are fully placed and there is no other change in the number of issued Shares from the date of this announcement up to completion of the Placing, the shareholding structure of the Company immediately prior to and following the Placing will be as follows:

Shareholders	As at the date of this announcement		Immediately after the issue of all Placing Shares	
	Numbers of Shares	Approximate percentage of shareholding interest	Numbers of Shares	Approximate percentage of shareholding interest
Queen Media Co., Ltd. (Note 1)	602,780,000	37.84%	602,780,000	31.54%
Lucky Go Co., Ltd. (Note 2)	75,961,000	4.77%	75,961,000	3.97%
Top Car Co., Ltd. (Note 3)	22,790,000	1.43%	22,790,000	1.19%
Sub-total	701,531,000	44.04%	701,531,000	36.70%
The Placees	–	–	318,588,400	16.67%
Other shareholders	891,411,000	55.96%	891,411,000	46.63%

Shareholders	As at the date of this announcement		Immediately after the issue of all Placing Shares	
	Numbers of Shares	Approximate percentage of shareholding interest	Numbers of Shares	Approximate percentage of shareholding interest
Total	1,592,942,000	100.00%	1,911,530,400	100.00%

Notes

1. 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 (an executive Director of the Company) (“Ms. Ren”) 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 was deemed or taken to be interested in all the Shares held by the Vendor for the purpose of the SFO.
2. Lucky Go Co., Ltd. is a company incorporated in British Virgin Islands with limited liability and is owned by as to 78.88% by Ms. Ren. Hence, Ms. Ren was deemed or taken to be interested in all the Shares held by Lucky Go Co., Ltd. for the purpose of the SFO.
3. Top Car Co., Ltd. is a company incorporated in British Virgin Islands with limited liability and is owned as to 43.69% by Ms. Ren. Hence, Ms. Ren deemed or taken to be interested in all the Shares held by Top Car Co., Ltd. for the purpose of the SFO.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the Board of Directors

“Business Day(s)”	a day (other than a Saturday, a Sunday or public holiday or any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which commercial banks in Hong Kong are open for business
“Company”	Wisdom Sports Group (智美體育集團), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	within five Business Days following the day on which condition precedent of the Placing Agreement have been fulfilled (or such other date as the Company and the Placing Agent may agree in writing)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 30 June 2020 to allot, issue and deal with up to 20% of the then issued Shares (being 1,592,942,000 Shares) as at the date of passing such resolution, which is equivalent to 318,588,400 new Shares
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	on or before 30 Business Days after the date of the Placing Agreement or such later date as the Company and the Placing Agent may agree in writing
“Placee(s)”	any individual, corporate, institutional investors or other investors to be procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 318,588,400 Placing Shares on a best effort basis during the Placing Period
“Placing Agent”	Quasar Securities Co., Limited, a licensed corporation to carry on Type 1 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 11 February 2021 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.232 per Placing Share
“Placing Share(s)”	up to 318,588,400 new Shares to be issued under the General Mandate pursuant to the Placing
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Securities Act”	the United States Securities Act of 1933
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.00025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	shall have the meaning ascribed thereto under the Listing Rules

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

By Order of the Board
Wisdom Sports Group
Ren Wen
Chairlady and Executive Director

Hong Kong, 11 February 2021

As at the date of this announcement, the executive Directors of the Company are Ms. Ren Wen, Mr. Sheng Jie, Mr. Song Hongfei and Ms. Hao Bin; and the independent non-executive Directors of the Company are Mr. Chen Zhijian, Mr. Ip Kwok On Sammy and Mr. Jin Guoqiang.