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# WISDOM

**WISDOM SPORTS GROUP**

**智美體育集團**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1661)**

## **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF INVESTMENT OF U.S.-CHINA GREEN FUND**

The Board is pleased to announce that, Jiangxi Wisdom, a wholly-owned subsidiary of the Company, entered into a Limited Partnership Agreement with U.S.-China Green Fund Management on 11 January 2019. Pursuant to which, Jiangxi Wisdom shall subscribe the investment of RMB50 million of U.S.-China Green Fund, which participates in the investment in green energy, energy saving and environmental protection, medical and health care, consumption upgrading, green building and other related industries. Upon the completion of Subscription of Fund, Jiangxi Wisdom shall become one of the Limited Partners of U.S.-China Green Fund.

As one of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Subscription of Fund is more than 5% but all applicable percentage ratios are less than 25%, the Subscription of Fund constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to reporting and announcement requirements under the Listing Rules.

### **INTRODUCTION**

The Board is pleased to announce that, Jiangxi Wisdom, a wholly-owned subsidiary of the Company, entered into a Limited Partnership Agreement with U.S.-China Green Fund Management on 11 January 2019. Pursuant to which, Jiangxi Wisdom shall subscribe the investment of RMB50 million of U.S.-China Green Fund, which participates in the investment in green energy, energy saving and environmental protection, medical and health care, consumption upgrading, green building and other related industries. Upon the completion of Subscription of Fund, Jiangxi Wisdom shall become one of the Limited Partners of U.S.-China Green Fund.

## PRINCIPAL TERMS OF THE LIMITED PARTNERSHIP AGREEMENT

Date	11 January 2019
Parties	Parties to the Limited Partnership Agreement are (I) Jiangxi Wisdom and (II) U.S.-China Green Fund Management. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of U.S.-China Green Fund Management and its ultimate beneficial owner(s) are Independent Third Parties of the Company and its Connected Parties.
Amount of subscription	The amount subscribed by Jiangxi Wisdom shall be RMB50 million, which will be satisfied with the internal resources of the Group.
Decision-making body	<p>Under the Limited Partnership Agreement, the General Partner and the executive partner (being U.S.-China Green Fund Management) shall perform the affairs of the Partnership in accordance with the requirements of laws and regulations and the terms of the Limited Partnership Agreement. Limited Partners shall not perform the affairs of the Partnership and shall not represent the Partnership to the outside.</p> <p>The Investment Committee is responsible for the final decision-making for investment in, management of, and exit from projects. All members of the Investment Committee shall be nominated and appointed by the General Partner. Investment decisions of special importance shall be approved by the Advisory Committee. Members of the Advisory Committee shall be nominees of Limited Partners with the highest subscription amounts and shall be appointed by the General Partner.</p>
Term of operation	The term of operation of the Partnership shall take effect from the First Closing Date (as defined below) until the expiry date of the sixth anniversary, of which the first four years since the First Closing Date shall be the investment period of the Partnership, while the last two years shall be the management (exit) period of the Partnership. Before the expiry of the exit period, the General Partner may, depending on the investment and the investment return, extend once the term of operation of the Partnership at its own discretion and the extension period shall not exceed one year; the term of operation of the Partnership may be extended for one more time with the approval from the Advisory Committee and the extension period shall not exceed one year.

Way of contribution	<p>The General Partner shall be entitled to decide on the total subscribed contribution. However, unless as otherwise agreed by all partners, the final total subscribed contribution made by the Partnership shall not exceed RMB10 billion.</p> <p>Unless as otherwise agreed in the Limited Partnership Agreement, all the capital contribution from partners shall be made in cash in Renminbi.</p>
Contribution payment	<p>Upon the subscribed contribution of the Partnership reaches to 30% of the final total subscribed contribution of the Fund or other time points as the General Partner seems fit, the General Partner shall be entitled to make independent decision to announce the completion of the first closing of the Fund. Each partner shall pay the first instalment of subscribed contribution, being 40% of their respective total subscribed contribution at the first closing.</p> <p>After the first instalment of contribution, the General Partner may, based on the progress of investment and use of funds, give notice of subsequent payment to all partners to require each partner to make the rest instalments of contribution.</p>
Income allocation	<p>The distributable income of the Partnership after related taxes, debts and fees, shall be firstly used to return to partners for their accumulated paid-in capital contribution, and then will be applied to pay the preferred return of Limited Partners. The remaining distributable income will be allocated among the General Partner and Limited Partners in a manner as specified in the Limited Partnership Agreement, to demonstrate the performance-based benefit given to the General Partner.</p>
Transfer of interest by Limited Partners	<p>Having been agreed by the General Partner, Limited Partners may transfer the whole or part of their partnership interest in the Partnership.</p>

## **GENERAL INFORMATION**

Jiangxi Wisdom, being a wholly-owned subsidiary of the Company, is mainly engaged in sports marketing of the whole industry chain services, providing sponsors, resources providers and relevant industrial institutions with comprehensive and personalized sports marketing solutions.

U.S.-China Green Fund Management is a company established in the PRC with limited liability and is mainly engaged in the business of investment management.

## INFORMATION ON U.S.-CHINA GREEN FUND

U.S.-China Green Fund was established on 30 November 2016 and is a limited partnership established in the PRC. The aim of U.S.-China Green Fund is, by way of cross-border and innovative cooperation between both the US and China parties in finance, green technologies and business mode, to drive the green and sustainable development of the China's real economy. The investment scope of U.S.-China Green Fund includes green energy, energy saving and environmental protection, medical and health care, consumption upgrading, green building and other related industries.

As of 30 November 2018, the net assets value of U.S.-China Green Fund was approximately RMB1,919 million. The table below sets out certain audited/unaudited financial information of U.S.-China Green Fund prepared under the generally accepted accounting principles in the PRC:

	<b>For the year ended 31 December</b>		<b>For the 11 months ended</b>
	<b>2016</b>	<b>2017</b>	<b>30 November</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	unaudited	audited	unaudited
Net profit (loss) before income tax	0	74	659
Net profit (loss) after income tax	0	74	659

## REASONS FOR AND BENEFITS OF THE TRANSACTION

Jiangxi Wisdom subscribed the investment of U.S.-China Green Fund, and mainly combined with the future development trend in the areas such as sports and consumption upgrading, medical and health care, etc., with an aim to form a synergy between the investment project of the Fund and the business areas of the Group, and to further enrich the layout of the Group's sport industry chain. The Directors of the Company (including independent non-executive Directors) are of view that the terms of the Limited Partnership Agreement and the Subscription of Fund thereunder are fair and reasonable and in the interest of the Company and shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Subscription of Fund is more than 5% but all applicable percentage ratios are less than 25%, the Subscription of Fund constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“Board”	the board of directors of the Company
“Company”	Wisdom Sports Group (智美體育集團), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with stock code 1661
“Directors”	the directors of the Company
“General Partner”	the general partner of U.S.-China Green Fund, being U.S.-China Green Fund Management
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region
“Jiangxi Wisdom”	Jiangxi Wisdom Sports Culture Co., Ltd.* (江西維世德體育文化有限公司), a wholly-owned subsidiary of the Company
“Limited Partners”	the limited partners of U.S.-China Green Fund, including Jiangxi Wisdom and other investors
“Limited Partnership Agreement”	the Partnership Agreement of Beijing U.S.-China Green Fund Investment Center (Limited Partnership) (《北京中美綠色投資中心(有限合夥)合夥協議》) signed by Jiangxi Wisdom and U.S.-China Green Fund Management on 11 January 2019, and other relevant transaction documents
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription of Fund”	the subscription of investment of U.S.-China Green Fund by Jiangxi Wisdom pursuant to the Limited Partnership Agreement
“U.S.-China Green Fund” or “Partnership”	Beijing U.S.-China Green Fund Investment Center (Limited Partnership)* (北京中美綠色投資中心(有限合夥))

“U.S.-China Green Fund  
Management”

U.S.-China Green Fund Management (Beijing) Co., Ltd.\* (中美綠色基金管理(北京)有限公司), a company established in the PRC with limited liability

By order of the Board

**Wisdom Sports Group**

**Ren Wen**

*Chairlady and Executive Director*

Hong Kong, 11 January 2019

*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.*

*\* for identification purpose only*