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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Wisdom Sports Group (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform the Shareholders and potential investors of the Company of the latest business development of the Company.

Reference is made to the announcement of the Company dated 2 August 2019 in relation to the expectation that the Group would no longer have the right to be the exclusive co-operator of the Running in China Marathons in the future (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The directors of the Company wish to advise that due to organizational errors which occurred during two Running in China Marathons towards the end of 2018, the CAA had requested the Group to carry out rectification and submit a report. In January 2019, the Group had completed such rectification measures and submitted such report to the CAA, which was received and accepted by the CAA. The Group believes that there are no further issues outstanding in relation to these events.

Prior to the publication of the Timetable for the Running in China Marathons by the CAA in 2019, the Group had been in active communication with the CAA in relation to the operation of the Running in China Marathons. However, according to the Timetable, save for one marathon event, none of the Running in China Marathons would be operated jointly by the CAA with the Group in the second half of 2019. The Group had entered into negotiations with the CAA, but no consensus was reached. Based on the opinions of professional advisors, in order to protect the interests of the

Shareholders, the Board concluded in August 2019 that the Group would no longer have the right to be the exclusive co-operator of the Running in China Marathons in the foreseeable future, and the Group would reserve the right to take further actions in respect of the exclusive operation of the Running in China Marathons and the “Running in China*” (奔跑中國) events as published by the CAA.

As a result and based on the preliminary assessment made by the Board with reference to the currently available information, it is expected that the number of marathon events to be operated by the Group for the whole financial year of 2019 will decrease as compared to that for the financial year of 2018. The directors of the Company believe that the financial results of the Group for the financial year of 2019 may be adversely affected. The Group will continue to exploit the marathon market and make efforts to maintain its leading position in the marathon market. At the same time, the Group will vigorously expand its business in sports services and health and mass consumption sectors in order to bring long-term, sustainable and stable returns to the Shareholders.

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

Hong Kong, 18 October 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 purposes only*