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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 ON ARBITRATION AND LITIGATION INVOLVING SUBSIDIARIES

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

Reference is made to the announcements of the Company dated 5 July 2018 and 7 December 2018 (collectively the “**Announcements**”). Unless otherwise stated, capitalized terms used herein shall denote the same meanings as those defined in the Announcements. The board of directors of the Company (the “**Board**”) wish to inform the Shareholders and potential investors that several

subsidiaries of the Company recently commenced and/or initiated legal proceedings against the Arena Company, three of which were arbitration proceedings and two of which were litigation proceedings (collectively, the **“Proceedings”**). Further details of the Proceedings are set out below:—

Plaintiff/applicant	Arbitration or litigation	Venue	Background information of arbitration/litigation	Amount of claim (including corresponding interests and legal/arbitration costs)	Progress of arbitration/litigation
Wisdom Sports Entertainment (Zhejiang) Co., Ltd.* (智美體育文化(浙江)有限公司) (formerly known as Wisdom Events Operation and Management (Zhejiang) Co., Ltd.* (智美賽事營運管理(浙江)有限公司))	Arbitration	Beijing Arbitration Commission	Dispute in relation to a loan of RMB3.0 million (<i>note</i>)	Return of loan of RMB3.0 million and arbitration costs	Commenced proceedings
Auto Culture Group Holdings Limited (suing on behalf of Wisdom Sports Development (Shenzhen) Co., Ltd.* (智美體育發展(深圳)有限公司), which was de-registered on 5 November 2019)	Arbitration	Beijing Arbitration Commission	Dispute in relation to a loan of RMB15.0 million with annual interest rate of 4% (<i>note</i>)	Return of loan of RMB15.0 million with interests and arbitration costs	Commenced proceedings
Beijing Wisdom Sports Industry Co., Ltd.* (北京智美體育產業有限公司)	Arbitration	Beijing Arbitration Commission	Dispute in relation to a payment on behalf of approximately RMB10.4 million (<i>note</i>)	Return of payment on behalf of approximately RMB10.4 million and arbitration costs	Commenced proceedings
Shenzhen Wisdom Sports Industry Co., Ltd.* (深圳智美體育產業有限公司)	Litigation	Shenzhen Futian People's Court* (深圳市福田區人民法院)	Contractual dispute in relation to capital increase of approximately RMB40.0 million in the Arena Company	Return of investment prepayment of RMB1.74 million and legal costs	Commenced proceedings
Jiangxi Wisdom Sports Culture Co., Ltd.* (江西維世德體育文化有限公司)	Litigation	Jiangxi Fuzhou Linchuan People's Court* (江西撫州市臨川區人民法院)	Contractual dispute involving purchase of advertisement services for RMB7.0 million	Return of advertisement services prepayment of RMB6.4 million and legal costs	Initiated proceedings

Note: The respective loans and the payment on behalf were included and formed part of Shenzhen Wisdom's investment in the Arena Company

Currently, all business operations of the Company remain normal. The Company will take all appropriate measures to protect the rights and interests of the Company. Further announcement(s) will be made regarding any significant developments in relation to the Proceedings as and when appropriate.

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

Hong Kong, 11 February 2020

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*