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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 MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE ACQUISITION

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

THE MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company is pleased to announce that on 25 March 2020 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with a vendor (the “**Vendor**”). Pursuant to the MOU, subject to the terms and condition to be set out in a subsequent legally binding sale and purchase agreement (the “**Definitive Agreement**”), the Company will acquire and the Vendor will sell the non-majority controlling interest (the “**Possible Acquisition**”) of a company incorporated in the British Virgin Islands (the “**Target Company**”, together with its subsidiaries, the “**Target Group**”) which is the holding company of two corporations being licensed by the Securities and Futures Commission to, subject to certain conditions, carry on regulated activities in Hong Kong under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The consideration for the Possible Acquisition will be determined, subject to adjustments, after the Company has conducted a valuation on the Target Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is a third party independent of and is not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

Due Diligence

Within 30 working days after the signing of the MOU, the Company (and its representatives and/or advisers) shall be entitled to carry out due diligence investigations on the Target Group for the purpose of entering into the Possible Acquisition. The Vendor shall, on a best effort basis, provide reasonable assistance in this regard.

Exclusivity

The Vendor will not, directly or indirectly, within six calendar months from the date of the MOU (i) continue, enter into, solicit, initiate or participate in any discussions or negotiations relating to, or (ii) supply, disclose or otherwise make available any information in relation to the Target Group's business, assets or liabilities to, or (iii) enter into any agreement or arrangement or understanding with, any person or entity other than the Group with respect to the investment and/or disposal of all or any part of or any interest in the issued share capital of the Target Company and/or its subsidiaries, or for the purpose of evaluating or deciding whether to pursue such activity.

Formal Agreement

The Company and the Vendor will proceed with further negotiation for the entering into the Definitive Agreement within six calendar months from the date of the MOU. If the Definitive Agreement is not entered into before the end of six calendar months after the date of the MOU, then the MOU shall be null and void except for clauses relating to confidentiality, termination, exclusivity and governing law (the “**Legally Binding Clauses**”).

Legal Effect

Save for the Legally Binding Clauses, the MOU shall create no legal and binding obligations on the parties thereto.

GENERAL

If the MOU proceeds to the signing of the Definitive Agreement, it is currently expected that the Proposed Acquisition may constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement(s) relating to the Proposed Acquisition will be made by the Company as and when appropriate.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board

Wisdom Sports Group

Ren Wen

Chairlady and Executive Director

Hong Kong, 25 March 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 Guoqing.