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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 INVESTMENT IN TRUST SCHEME

THE TRUST SCHEME AGREEMENT

The Board is pleased to announce that, on 12 May 2020 (after the trading hours), Shenzhen Wisdom, an indirect wholly-owned subsidiary of the Company, entered into the Trust Scheme Agreement with Minsheng Trust, pursuant to which Shenzhen Wisdom agreed to invest in the Trust Scheme established by Minsheng Trust for a total of RMB34.0 million.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

SUBSCRIPTION OF THE TRUST SCHEME

The Board is pleased to announce that on 12 May 2020, Shenzhen Wisdom entered into the Trust Scheme Agreement, pursuant to which Shenzhen Wisdom agreed to invest in the Trust Scheme established by Minsheng Trust for a total of RMB34.0 million.

The principal terms of the Trust Scheme Agreement are set out as follows:

Date of Subscription: 12 May 2020

Parties: (1) Shenzhen Wisdom (as a beneficiary of the Trust Scheme); and

(2) Minsheng Trust (as the trustee of the Trust Scheme)

Custodian of the Trust Scheme:	Beijing Branch of China Merchants Bank
Name of the Trust Scheme:	China Minsheng Trust – Zhixin 1003 Trust Scheme
Code of the Trust Scheme Agreement:	2020-MSJH-169-1
Investment strategy:	Minsheng Trust will utilize the investment contributions by investing in the underlying assets of a third party company whereby the income derived from the underlying assets will be distributed to the beneficiaries of the Trust Scheme
Characteristics of risk and return:	The Trust Scheme does not guarantee to capital protection and minimum return
Expected annualized rate of return:	4.7%
Date of interest commencement:	13 May 2020
Maturity date of investment:	14 July 2020
Investment time limit:	62 days

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group has been constantly looking for business opportunities to enhance shareholders' value while abiding to the internal investment policy of the Group. In light of the current low interest rates on bank deposits, the Board is of the view that the Subscription is an ideal short-term investment opportunity for the Group as this allows the Company to utilize its Renminbi surplus cash reserves more efficiently.

The Group selects short-term wealth management products prudently with an aim to improve its efficiency on capital utilization, earn extra return on investment and combat inflation while not affecting the Group's daily cash flows. After taking into consideration the investment risks and potential returns of the Subscription are in line with the needs of the Company, the Board considers that the terms of the Subscription are on normal commercial terms, and are fair and reasonable and are in the interest of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP AND THE PARTIES

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.

Shenzhen Wisdom is a company established under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Shenzhen Wisdom is principally engaged in event organisation and related services and investments in the PRC.

Minsheng Trust is a company established under the laws of the PRC with limited liability and is mainly engaged in the provision of investment management services in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Minsheng Trust is owned by various shareholders and is ultimately controlled by Wuhan CBD Co., Ltd. Wuhan CBD Co., Ltd. is ultimately controlled by Mr. Lou Jikeng.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Minsheng Trust and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

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DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“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
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minsheng Trust”	China Minsheng Trust Co., Ltd., a company incorporated in the PRC and is principally engaged in investment activities in the PRC
“PRC”	The People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency in the PRC
“Shenzhen Wisdom”	Shenzhen Wisdom Sports Industry Co., Ltd.* (深圳智美體育產業有限公司), a company established under the law of the PRC and is an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the investment of RMB34.0 million by way of subscription in the Trust Scheme established by Minsheng Trust
“Trust Scheme”	the trust scheme named as Zhixin No.1003 Trust Scheme* (至信1003號集合資金信託計劃) offered by Minsheng Trust
“Trust Scheme Agreement”	the trust scheme agreement dated 12 May 2020 entered into by Shenzhen Wisdom and Minsheng Trust in relation to the Trust Scheme

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

Hong Kong, 12 May 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.