WISDOM

WISDOM SPORTS GROUP

智美體育集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1661)

PROFIT WARNING

This announcement is made by Wisdom Sports Group (the "**Company**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong). Hereinafter, the Company and its subsidiaries are collectively referred to as the "**Group**".

PROFIT WARNING

In 2015, the economy of China faced complicated market situation with downturn pressure in domestic demands, public sector investments and industrial productions. With the cyclical economic downturn influence, the market has seen an overall reduction in advertising spending budgets. Such budget reduction also intensified market competition in the advertising industry, thus having an impact on both the revenue and gross profit of the Group's advertising agency business segment.

In addition, coupled with the impact from China's economic condition on the contractual operation in conventional media advertising industry, challenge of new media communication against conventional advertising marketing model and the strategic move of the Group's transformation and upgrading of sports strategy, the Group has decided to cease to renew the contracts with CCTV relating to the advertising contractual operation rights of five TV programs on the News Channel and the Integrated Channel in 2016. The Group will strengthen its position in areas such as sports events production, live broadcast and new media video, and will keep creating high-quality media content and communication platform in sports media in 2016.

With the implementation of transformation of the Group's business strategy, the Group commenced to explore new marketing model in operation of sports events segment since the second half of 2015. Notwithstanding some of the revenue generated through such new marketing model could only be recognized as income in 2016 according to the relevant accounting standards, the revenue and gross profit of the Group's sports events segment increased respectively as compared to the corresponding period of the previous year. 2015 is a year in which the Group focused on the strategic transformation and spared no effort to arrange the layout and the product upgrades in the area of sports industry and the extension of the industrial chain. Therefore, the cost of operation and revenue have both increased relatively while the gross profit did not increase proportionately and was relatively modest. The Group believes that since the projects are still in incubation period, revenue could only grow gradually with the development of product maturity and brand influence.

In light of the above, the net profit of the Group for the year of 2015 had declined although the revenue and profit derived from the Group's sports events business increased. Based on the unaudited financial information, the net profit attributable to the owners of the Company for the year ended December 31, 2015 is expected to decrease by approximately 80% as compared with the same for the year ended December 31, 2014.

This announcement of profit warning is a preliminary estimate based on the information currently available to the Board and the consolidated management accounts of the Group for the year ended December 31, 2015, which have not been audited or reviewed by the auditor of the Company. The audited consolidated results of the Group for the year ended December 31, 2015 will be announced on March 31, 2016.

Shareholders and potential investors are advised to read the audited annual results announcement of the Group when it is published.

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

Hong Kong, March 28, 2016

As at the date of this announcement, the executive directors of the Company are Ms. Ren Wen, Mr. Sheng Jie, Mr. Zhang Han and Dr. Shen Wei; the non-executive directors of the Company are Mr. Jin Haitao and Mr. Xu Jiongwei; and the independent non-executive directors of the Company are Mr. Wei Kevin Cheng, Mr. Ip Kwok On Sammy and Mr. Jin Guoqiang.