WISDOM SPORTS GROUP
智美體育集團
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1661)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

CONSOLIDATED RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Wisdom Sports Group (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2019 (the "**Reporting Period**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**2019** *RMB'000*	2018 *RMB'000*
Revenue	*4*	**158,967**	455,363
Cost of services		**(186,728)**	(329,539)
Gross (loss)/profit		**(27,761)**	125,824
Other income	*5*	**17,740**	87,997
Other losses	*6*	**(397,931)**	(8,417)
Selling and distribution expenses		**(22,513)**	(13,562)
General and administrative expenses		**(67,953)**	(56,847)
(Loss)/profit from operations		**(498,418)**	134,995
Finance costs		**(56)**	–
Share of results of associates		**(1,411)**	(15,630)
(Loss)/profit before tax		**(499,885)**	119,365
Income tax credit/(expense)	*8*	**15,289**	(67,371)
(Loss)/profit for the year	*9*	**(484,596)**	51,994
Attributable to:			
Owners of the Company		**(455,122)**	46,372
Non-controlling interests		**(29,474)**	5,622
		(484,596)	51,994

	Note	2019 RMB'000	2018 RMB'000
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		**11,736**	(29,076)
Other comprehensive income for the year, net of tax		**11,736**	(29,076)
Total comprehensive income for the year		**(472,860)**	22,918
Attributable to:			
Owners of the Company		**(443,386)**	17,296
Non-controlling interests		**(29,474)**	5,622
		(472,860)	22,918
(Loss)/earnings per share attributable to owners of the Company	*11*		
Basic and diluted		**RMB(0.29)**	RMB0.03

Note:

The Group has initially applied HKFRS 16 at 1 January 2019 under the modified retrospective approach with no restatement on the comparative information in the consolidated statement of profit or loss and other comprehensive income. Details of changes in accounting policies are disclosed in note 3 to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2019

	Note	**2019** *RMB'000*	2018 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**8,977**	25,695
Right-of-use assets		**8,494**	–
Investment properties		**15,692**	16,952
Goodwill		**–**	191,584
Intangible assets		**4,688**	98,532
Financial assets at fair value through other comprehensive income		**92,176**	29,510
Other receivables		**59,629**	–
Investments in associates		**12,333**	19,820
Deferred tax assets		**9,328**	5,116
Other non-current assets		**78,844**	15,365
Total non-current assets		**290,161**	402,574
Current assets			
Inventories		**2,414**	4,124
Financial assets at fair value through profit or loss		**13,229**	60,344
Trade and bills receivables	*12*	**54,964**	147,781
Other receivables		**129,441**	223,715
Prepayments and other current assets		**35,105**	51,526
Cash and cash equivalents		**167,317**	417,355
Total current assets		**402,470**	904,845
TOTAL ASSETS		**692,631**	1,307,419
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**2,454**	2,454
Reserves		**589,828**	1,131,928
		592,282	1,134,382
Non-controlling interests		**7,110**	36,584
TOTAL EQUITY		**599,392**	1,170,966

	Note	**2019**	2018
		RMB'000	*RMB'000*
LIABILITIES			
Non-current liabilities			
Lease liabilities		**2,871**	–
Deferred tax liability		**–**	23,535
Total non-current liabilities		**2,871**	23,535
Current liabilities			
Trade payables	*13*	**44,092**	67,454
Other payables and accrued expenses		**19,695**	15,939
Contract liabilities		**75**	2,650
Lease liabilities		**5,432**	–
Income tax payables		**21,074**	26,875
Total current liabilities		**90,368**	112,918
TOTAL LIABILITIES		**93,239**	136,453
TOTAL EQUITY AND LIABILITIES		**692,631**	1,307,419
NET CURRENT ASSETS		**312,102**	791,927

Note: The Group has initially applied HKFRS 16 at 1 January 2019 under the modified retrospective approach with no restatement on the comparative information in the consolidated statement of financial position. Details of changes in accounting policies are disclosed in note 3 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Wisdom Sports Group (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (2012 Revision) of the Cayman Islands on 21 March 2012 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its ultimate controlling party is Ms. Ren Wen, who is also the Chairlady of the Board and President of the Company. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company in China is 7/F, Block 1, No. 16, Xinyuanli, Chaoyang District, Beijing, the People's Republic of China (the "**PRC**"). The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") is principally engaged in the provision of events operation and marketing services, sports services, and advertising program and branding services in the PRC.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued HKFRS 16 *Leases* and a number of amendments to HKFRSs that are first effective for the current year of the Group. Note 3 to the consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior years reflected in these consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued HKFRS 16 *Leases* and a number of amendments to HKFRSs that are first effective from 1 January 2019.

Except for HKFRS 16 being initially adopted by the Group from 1 January 2019, other developments effective from 1 January 2019 do not have a material effect on these consolidated financial statements. The Group has not early adopted any new standard or interpretation that is not effective for the current year.

HKFRS 16 ***Leases***

HKFRS 16 supersedes HKAS 17 *Leases*, and the related interpretations, HK(IFRIC) 4 *Determining whether an arrangement contains a lease*, HK(SIC) 15 *Operating leases – incentives* and HK(SIC) 27 *Evaluating the substance of transactions involving the legal form of a lease*. HKFRS 16 introduced a single accounting model for lessees, which requires a lessee to recognise right-of-use assets and lease liabilities for all leases, except for leases that have lease terms of 12 months or less ("**short-term leases**") and leases of low-value assets.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact for leases where the Group is the lessor.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 using the modified retrospective approach to operating lease commitment that existed at 1 January 2019 in accordance with the transition requirements. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(b) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant entities of the Group at the date of initial application. The weighted average incremental borrowing rate applied is 6.37%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(i) elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease terms end within 12 months from the date of initial application of HKFRS 16, i.e. where the lease terms end on or before 31 December 2019;

(ii) applied a single discount rate to a portfolio of leases with a similar remaining term for a similar class of underlying assets in a similar economic environment. Specifically, discount rate for certain leases of properties was determined on a portfolio basis;

(iii) used hindsight based on facts and circumstances as at the date of initial application in determining the lease terms for the Group's leases with extension options;

(iv) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and

(v) relied on the assessment of whether leases are onerous by applying HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative to an impairment review.

The following table reconciles the operating lease commitments as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

	1 January 2019 ***RMB'000***
Operating lease commitment as at 31 December 2018 under HKAS 17	**23,680**
Less: Recognition exemption for leases with remaining lease terms of less than 12 months from 31 December 2018	**(112)**
Less: Exclusion of value-added taxes for properties located in the PRC	**(2,100)**
Adjusted operating lease commitment as at 31 December 2018 under HKAS 17	**21,468**
Less: Prepayment in relations to a lease to be recognised as right-of-use assets as at 31 December 2018 under HKFRS 16	**(90)**
Less: Total future interest expenses under HKFRS 16	**(1,285)**
Lease liabilities recognised as at 1 January 2019 under HKFRS 16	**20,093**
Representing:	
Non-current lease liabilities	**11,948**
Current lease liabilities	**8,145**
	20,093

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to those leases recognised in the consolidated statement of financial position as at 31 December 2018.

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

	At 31 December 2018 *RMB'000*	Impact on initial application of HKFRS 16 *RMB'000*	**At 1 January 2019** ***RMB'000***
Non-current assets			
Right-of-use assets	–	20,183	**20,183**
Current assets			
Prepayments and other current assets	51,526	(90)	**51,436**
Non-current liabilities			
Lease liabilities	–	(11,948)	**(11,948)**
Current liabilities			
Lease liabilities	–	(8,145)	**(8,145)**

(c) ***Impact of the financial results and cash flows of the Group***

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases under HKAS 17, the Group recognised right-of-use assets of RMB8,494,000 and lease liabilities of RMB8,303,000 as at 31 December 2019.

Also in relation to those leases under HKFRS 16, the Group has recognised depreciation and finance costs, instead of operating lease charges. During the year ended 31 December 2019, the Group recognised depreciation charges of RMB7,661,000 and finance costs of RMB56,000 from these leases.

4. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2019	2018
	RMB'000	*RMB'000*
Events operation and marketing income	**74,171**	179,408
Sports services income	**84,796**	191,666
Advertising program and branding income	**–**	84,289
	158,967	455,363

	2019	2018
	RMB'000	*RMB'000*
Timing of revenue recognition		
– At a point in time	**158,967**	413,550
– Over time	**–**	41,813
	158,967	455,363

Revenue recognised at a point in time comprises income generated from sports-related competitions by the provision of events operation and marketing services, and sports services when the competitions are held while revenue recognised over time comprises income from the provision of advertising services through arranging broadcast of the customers' advertisement in selected media suppliers' television programs over the contract term.

5. OTHER INCOME

	2019	2018
	RMB'000	*RMB'000*
Interest income from treasury products *(note (a))*	**7,234**	12,204
Interest income from loans to companies	**5,019**	4,025
Interest income from fund investments in a partnership	**4,000**	5,767
Interest income from short-term bank deposits	**447**	3,702
Government grants *(note (b))*	**35**	5,334
Rental income	**586**	468
Share compensation from investment in an associate	**–**	56,288
Others	**419**	209
	17,740	87,997

Notes:

(a) The Group invested in unlisted treasury products issued by commercial banks in the PRC. The investments are denominated in RMB and with maturity periods within three months. The rates of return range from 2.7% to 6.1% per annum.

(b) The Group benefits from government grants in the form of tax refund from a governmental body of Fuzhou, Jiangxi Province for the years ended 31 December 2019 and 2018 as a result of their contribution for developing the cultural and media industry in the city.

6. OTHER LOSSES

	2019	2018
	RMB'000	*RMB'000*
Allowance for impairment of trade and bills receivables	**(23,454)**	(11,705)
Allowance for impairment of other receivables	**(34,360)**	(4,107)
Exchange gains	**1,329**	796
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(3,922)**	17,258
Loss on disposals of financial assets at fair value through profit or loss	**(46,181)**	–
Impairment of intangible assets	**(826)**	–
Impairment of investments in associates	**(3,076)**	(3,767)
Impairment of goodwill	**(191,584)**	(105)
Loss on disposal of intangible assets	**–**	(1,927)
Gain/(loss) on disposals of property, plant and equipment	**2,427**	(775)
Gain on disposal of a right-of-use asset	**393**	–
Remeasurement of pre-existing interest in an associate for step acquisition	**–**	(3,072)
Write-off of an operating right included in intangible assets	**(84,552)**	–
Write-off of a trade receivable	**(2,620)**	–
Write-off of a prepayment	**(8,000)**	–
Others	**(3,505)**	(1,013)
	(397,931)	(8,417)

7. SEGMENT INFORMATION

Information reported to the Chief Executive Officer, being the chief operating decision maker ("**CODM**"), for the purpose of resources allocation and assessment of segment performance focuses on types of services provided.

The Group has three reportable operating segments, which are (a) Events Operation and Marketing; (b) Sports Services; and (c) Advertising Program and Branding.

The Group's operating and reportable segments are as follows:

Events Operation and Marketing	Providing mainly marketing services in conjunction with sports-related competitions. Types of revenue include mainly corporate sponsorship income.
Sports Services	Providing services mainly to government, marathon runners and media companies in conjunction with sports-related competitions. Types of revenue include mainly events organisation income, live broadcasting and program production income, individual consumption income, and timing services income.
Advertising Program and Branding	Provision of advertising services. Type of revenue includes advertising income.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment results are measured as gross (loss)/profit of each segment without allocation of selling and distribution expenses, general and administrative expenses, finance costs, other income, other losses, share of results of associates and income tax credit/(expense). This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

No segment assets or liabilities information or other segment information is provided as the CODM does not review this information for the purpose of resource allocation and assessment of segment performance.

No geographical segment information is presented as all the sales and operating (losses)/profits of the Group are derived within the PRC and all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

The segment information provided to the CODM for the reportable segments for the years ended 31 December 2019 and 2018 is as follows:

Year ended 31 December 2019

	Events Operation and Marketing *RMB'000*	**Sports Services** *RMB'000*	**Advertising Program and Branding** *RMB'000*	**Total** *RMB'000*
Revenue	**74,171**	**84,796**	**–**	**158,967**
Cost of services	**(123,102)**	**(63,626)**	**–**	**(186,728)**
Segment results	**(48,931)**	**21,170**	**–**	**(27,761)**
Other income				**17,740**
Other losses				**(397,931)**
Selling and distribution expenses				**(22,513)**
General and administrative expenses				**(67,953)**
Finance costs				**(56)**
Share of results of associates				**(1,411)**
Income tax credit				**15,289**
Loss for the year				**(484,596)**

Year ended 31 December 2018

	Events Operation and Marketing *RMB'000*	Sports Services *RMB'000*	Advertising Program and Branding *RMB'000*	Total *RMB'000*
Revenue	179,408	191,666	84,289	455,363
Cost of services	(153,464)	(88,853)	(87,222)	(329,539)
Segment results	25,944	102,813	(2,933)	125,824
Other income				87,997
Other losses				(8,417)
Selling and distribution expenses				(13,562)
General and administrative expenses				(56,847)
Share of results of associates				(15,630)
Income tax expense				(67,371)
Profit for the year				51,994

Revenue from major customer(s):

Revenue from customer contributing over 10% of the total revenue of the Group is as follows:

	2019	2018
	RMB'000	*RMB'000*
Customer A	**–**	54,717
Customer B	**14,009**	46,255

None of the customers contributed over 10% of the total revenue of the Group for the year ended 31 December 2019 only. Revenue of Customer A was generated from Advertising Program and Branding segment, and revenue of Customer B was generated from Events Operation and Marketing segment.

8. INCOME TAX CREDIT/(EXPENSE)

Income tax has been recognised in profit or loss as follows:

	2019	2018
	RMB'000	*RMB'000*
Current tax		
Provision for the year – the PRC	**(12,599)**	(68,159)
Over-/(under-) provision in prior years	**141**	(4,744)
	(12,458)	(72,903)
Deferred tax	**27,747**	5,532
	15,289	(67,371)

No provision for Hong Kong Profits Tax was required since the Group had no assessable profits for the years ended 31 December 2019 and 2018.

PRC Corporate Income Tax has been provided at a rate of 25% (2018: 25%).

Pursuant to the PRC law on Corporate Income Tax, 10% withholding income tax will be levied on foreign investors for dividend distribution from foreign invested enterprises' profit earned after 1 January 2008. For qualified investors incorporated in Hong Kong, a treaty rate of 5% will be applied.

Tax charged on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax credit/(expense) and the product of (loss)/profit before tax multiplied by the respective applicable tax rate is as follows:

	2019	2018
	RMB'000	*RMB'000*
(Loss)/profit before tax	**(499,885)**	119,365
Tax at the respective applicable tax rates	**104,506**	(29,580)
Tax effect of share of results of associates	**(353)**	(3,907)
Tax effect of income that is not taxable	**3,866**	3,258
Tax effect of expenses that is not deductible	**(47,028)**	(5,560)
Net tax effect of temporary differences not recognised	**22,227**	2,228
Tax effect of tax losses not recognised	**(56,070)**	(7,066)
Withholding tax	**(12,000)**	(22,000)
Over-/(under-) provision in prior years	**141**	(4,744)
Income tax credit/(expense)	**15,289**	(67,371)

9. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting) the following:

	2019	2018
	RMB'000	*RMB'000*
Amortisation of intangible assets	**12,932**	13,554
Cost of inventories utilised	**1,984**	–
Depreciation of investment properties	**1,260**	1,260
Depreciation of property, plant and equipment	**4,822**	4,408
Depreciation of right-of-use asset	**7,661**	–
Fair value loss/(gain) on financial assets at fair value through profit or loss *(note 6)*	**3,922**	(17,258)
Loss on disposals of financial assets at fair value through profit or loss *(note 6)*	**46,181**	–
Loss on disposal of intangible assets *(note 6)*	**–**	1,927
(Gain)/loss on disposals of property, plant and equipment *(note 6)*	**(2,427)**	775
Gain on disposal of a right-of-use asset *(note 6)*	**(393)**	–
Share compensation from investment in an associate	**–**	(56,288)
Remeasurement of pre-existing interest in an associate for step acquisition	**–**	3,072
Staff costs		
– Salaries, bonuses and allowances	**37,981**	22,568
– Retirement benefits scheme contributions	**7,317**	3,574
– Share-based payments	**48**	207
Write-off of an operating right included in intangible assets	**84,552**	–
Auditor's remuneration	**2,200**	3,727
Allowance for impairment of trade and bills receivables	**23,454**	11,705
Allowance for impairment of other receivables	**34,360**	4,107
Write-off of a trade receivable *(note 6)*	**2,620**	–
Write-off of a prepayment *(note 6)*	**8,000**	–
Impairment of goodwill	**191,584**	105
Impairment of intangible assets	**826**	–
Impairment of investments in associates *(note 6)*	**3,076**	3,767

10. DIVIDENDS

	2019	2018
	RMB'000	*RMB'000*
2018 final dividend of RMB0.062 (2018: 2017 final dividend of RMB0.062) per share	**98,762**	98,762

The Board of Directors does not recommend the payment of any dividend in respect of the year ended 31 December 2019.

11. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following:

	2019	2018
	RMB'000	*RMB'000*
(Loss)/earnings attributable to owners of the Company		
(Loss)/earnings for the purpose of calculating basic and diluted (loss)/earnings per share	**(455,122)**	46,372

	2019	2018
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss)/earnings per share	**1,592,942**	1,592,942

The computation of diluted (loss)/earnings per share did not assume the exercise of the Company's outstanding share options as the exercise price of those share options was higher than the average market price for shares for the years ended 31 December 2019 and 2018.

12. TRADE AND BILLS RECEIVABLES

	2019	2018
	RMB'000	*RMB'000*
Trade and bills receivables	**104,122**	180,757
Allowance for impairment of trade and bills receivables	**(49,158)**	(32,976)
	54,964	147,781

The Group generally allows an average credit period of 180 days (2018: 180 days) for its customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The aging analysis of trade and bills receivables, net of allowance for impairment of trade and bills receivables, presented based on the invoice dates is as follows:

	2019	2018
	RMB'000	*RMB'000*
Within 1 month	**23,671**	63,704
1 to 3 months	**18,700**	26,761
4 to 6 months	**2,210**	42,210
7 to 12 months	**2,939**	9,142
1 to 2 years	**7,444**	5,349
Over 2 years	**–**	615
	54,964	147,781

The carrying amounts of the Group's trade and bills receivables are all denominated in RMB.

13. TRADE PAYABLES

	2019	2018
	RMB'000	*RMB'000*
Trade payables	**44,092**	67,454

Trade payables comprised amounts due to suppliers for purchase of goods or services used in regular course of business. Trade payables are non-interest bearing and generally due upon demand. The aging analysis of trade payables based on the invoice dates is as follows:

	2019	2018
	RMB'000	*RMB'000*
Within 1 month	**27,564**	28,381
1 to 3 months	**5,631**	23,560
4 to 6 months	**1**	1,217
7 to 12 months	**2,931**	7,464
Over 12 months	**7,965**	6,832
	44,092	67,454

The carrying amounts of the Group's trade payables are all denominated in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Overview

2019 was a year of adjustment and exploration for the Group's business. As the Group no longer had the exclusive right to operate the "Running in China"* (奔跑中國) marathon series starting from 2019, the number of marathon events operated by the Group decreased, which in turn impacted the results of operations of the Group. Meanwhile, China's economic growth also slowed down in 2019, the city marathon industry experienced intense competition as a result of more events operated, which had a significant impact on the marathon sponsorship market, leading to an overall decrease of profit margin for the industry. As a professional sports events operator in China, the Group, with its focus on the three core strategies of "high frequency", "intelligence" and "living", sought to develop a mass consumption platform in the fields of sports and health by leveraging the experience and data accumulated in the operation of more than 200 marathon events for years, in a bid to provide more diversified products and services to sports consumers.

In response to the economic conditions and industry competition situation, the Group reconstructed its internal management structure and optimised the staff and event cost according to the demand of events, in order to accumulate strength to walk out of the performance turmoil. In addition, the Group also invested in the crossing field along the sports industry chain to lay a good foundation for the development of individual consumer products.

BUSINESS REVIEW

I. Events Operation and Marketing

The Events Operation and Marketing segment is a segment for organising large-scale sports events and other activities. Its revenue is generated mainly from brand advertisers' title sponsorship fees, sponsorship fees and advertising fees obtained through events marketing.

Though no longer having the right to be the exclusive co-operator of the "Running in China"* (奔跑中國) marathon series starting from 2019, the Group still strived to develop city marathon projects, and independently or jointly operated and held a total of 12 marathon events in Rongcheng, Jilin City, Tianjin, Qingdao, Xiangyang, Changsha, Lu'an, Tiemenguan, Jinan, Nanchang and Shenzhen as well as the Dongguan Asian Marathron Championships* (東莞亞錦賽) throughout the year. In the course of the events operation, in order to further improve the standard of the events and the Group's service quality, the Group implemented the "event supervision" system, with a view to resolving all kinds of problems and queries for the runners on site, and also tried a new starting mode under which starters fired the pistol separately in different zones to avoid crowded stampede during the competitions and hence impacting the performance of runners.

For the marketing segment, in the face of the economic downturn in the industry, the Group has enhanced cooperation with event suppliers in material sponsorship, thereby providing a richer variety of materials for event protection and track supply, which was widely praised by the sponsors and runners.

Among the city marathon events held by the Group, four events were named label road races by the International Association of Athletics Federations in 2020. The Shenzhen Marathon* (深圳馬拉松) was named an international gold label road race, whereas the Changsha Marathon* (長沙馬拉松) and the Nanchang Marathon* (南昌馬拉松) were named the international silver label road races and the Jilin City Marathon* (吉林市馬拉松) was named an international bronze label road race, respectively.

II. Sports Services

The Sports Services segment is a vital component of the Group's strategic positioning and generates revenue from the government, users and media companies through the provision of sports service products. Its main feature is the provision of diversified products and services targeting the government procurement market, mass sports consumer market and live sports broadcasting market, including areas such as services procured by the government, sports tourism, sports training, individual consumption and live broadcasting and program production.

In 2019, the Group vigorously expanded consumer-end service market by successively putting efforts into sports tourism, sports training and sports equipment sales, etc., and properly establishing a connection among consumer-end service content, thereby achieving mutual benefit and mutual promotion. The newly launched domestic marathon tour package received good response, while the overseas marathon tour business was further enriched in terms of destination choice and product categories. The per customer transaction has steadily increased, and the sports tourism business is expected to further improve in the future. The Group has opened e-commerce sales platforms on the official website and official WeChat platform of each event, so as to use the data traffic to increase its exposure. In 2019, the Group also established close connections and active interactions with more than 5,000 running groups and road running agencies nationwide, laying a good foundation for reputation improvement and future cooperation.

In terms of live sports broadcasting service, in addition to the broadcasting of marathon events as usual, the Group also completed more than 100 television and internet broadcasts of other types of events such as basketball, football, volleyball, table tennis and badminton, and participated in the live broadcasting of large-scale tournaments including the National Youth Games, the Military World Games and the International Shooting Sport Federation (ISSF) World Cup. The Group contracted to purchase two units of 4K HD broadcasting vehicles, laying a good foundation for the Group to further reduce the cost of live broadcasting and solicit more business opportunities relating to live sports broadcasting service.

Outlook of the Industry and the Group

Since the beginning of 2020, China has been affected by the outbreak of the novel coronavirus pneumonia, many industries were experiencing temporary shutdown and halting production. This epidemic has a material impact on China's sports industry, and all large-scale sports events in China have been postponed, suspended or cancelled.

Facing this situation, the Group, on one hand, is actively assessing the organisation of events together with local governments and making preparations for the immediate funding and professional staffing after the resumption of large-scale sports events. On the other hand, the Group will further strengthen the research and development on the sports and health consumption market and carry out product and service development, so that it can quickly conduct business expansion after the end of the outbreak.

Meanwhile, the Group will fully tap into the huge commercial value released by the integration of sports and the Internet, provide users with better individualised products and services, and develop the business of health drinks and sports food through cooperative development of products and cooperative sales. In addition, the Group will rely on big data technology to provide customised and scenario-based insurance products for the sporting community based on its own scenario-related advantages and scale effect. Sports financial products and services will become one of the important business growth points of the Group in the future.

The Group has completed its preliminary strategic layout in the field of sports and health consumption, which is an aggressive evolution to a development model in higher dimension. In the future, the Group will actively develop products for the big health and mass consumption market, stick to the development direction of diversified business pattern, and comprehensively upgrade its business in the portfolio of "industry + finance".

FINANCIAL REVIEW

In the Reporting Period, the Group had three business divisions which represented three reportable operating segments, namely: (a) the Events Operation and Marketing segment: providing mainly marketing services in conjunction with sports-related competitions. Its revenue includes mainly corporate sponsorship income; (b) the Sports Services segment: providing services mainly to government, marathon runners and media companies in conjunction with sports-related competitions. Types of revenue include mainly events organisation income, live broadcasting and program production income, individual consumption income and timing services income; and (c) the Advertising Program and Branding segment: providing advertising services. Its revenue includes advertising income.

Revenue

The Group's revenue decreased by approximately 65.1% to RMB159.0 million for the year ended 31 December 2019 from RMB455.4 million for the year ended 31 December 2018. Details based on reportable segments are as follows:

- Revenue from the Events Operation and Marketing segment decreased by approximately 58.6% to RMB74.2 million for the year ended 31 December 2019 from RMB179.4 million for the year ended 31 December 2018. The decrease was mainly due to the loss of the exclusive operating right of the "Running in China"* (奔跑中國) marathon series, which resulted in a decrease in the number of marathon events operated by the Group, as well as slow economic growth resulting in less investment by sponsors;

- Revenue of the Sports Services segment decreased by approximately 55.8% to RMB84.8 million for the the year ended 31 December 2019 from RMB191.7 million for the the year ended 31 December 2018. The decrease was mainly due to the decrease in the number of marathon events operated; and

- Revenue from the Advertising Program and Branding segment was Nil for the year ended 31 December 2019 and RMB84.3 million for the year ended 31 December 2018. The change mainly resulted from the use of the film and television resources accumulated over previous years by the Group to generate revenue in the prior period.

Cost of Services

The Group's cost of services decreased by approximately 43.3% to RMB186.7 million for the year ended 31 December 2019 from RMB329.5 million for the year ended 31 December 2018. Details of such decrease are as follows:

- Cost of the Events Operation and Marketing segment decreased by approximately 19.8% to RMB123.1 million for the year ended 31 December 2019 from RMB153.5 million for the year ended 31 December 2018. The decrease was mainly due to the decrease in the number of marathon events operated;

- Cost of the Sports Services segment decreased by approximately 28.5% to RMB63.6 million for the year ended 31 December 2019 from RMB88.9 million for the year ended 31 December 2018. The decrease was mainly due to the decrease in the number of marathon events operated; and

- Cost of the Advertising Program and Branding segment was Nil for the year ended 31 December 2019 and RMB87.2 million for the year ended 31 December 2018. The change mainly resulted from the costs of the use of the film and television resources accumulated over previous years by the Group to generate revenue in the prior period.

Gross Loss and Gross Loss Margin

As a result of the aforementioned factors, the Group recorded a gross loss of RMB27.7 million for the year ended 31 December 2019 as compared to a gross profit of RMB125.8 million recorded for the year ended 31 December 2018, representing a decrease of approximately 122.0% in gross profit. The Group recognised a gross loss margin of approximately 17.4% for the year ended 31 December 2019 as compared to a gross profit margin of 27.6% for the year ended 31 December 2018. The change in the gross profit was mainly due to the significant decrease in revenue as a result of the decrease in the number of marathon events operated while the cost was not decreased proportionally. The decrease in cost was significantly lower than the decrease in revenue, which was mainly due to: (i) the upgrade of events operation quality and standard, resulting in higher cost per event; and (ii) the amortisation of the operating right to "Running in China"* (奔跑中國) marathon events included in intangible assets of Beijing Shangde Da'ai Sports Co., Ltd.* (北京上德大愛體育有限公司) ("**SDDA**"), a subsidiary of the Company (until mid-June 2019 when the Group determined that it no longer had the exclusive operating right to "Running in China"* (奔跑中國) marathon events), resulting in higher cost. Details are as follows:

- As a result of the foregoing changes in revenue and cost of services of the Events Operation and Marketing segment, the Group recorded a gross loss for the Events Operation and Marketing segment of RMB48.9 million for the year ended 31 December 2019 as compared to a gross profit of RMB25.9 million recorded for the year ended 31 December 2018, representing a decrease of approximately 288.8% in gross profit. The Group recognised a gross loss margin of 65.9% for the year ended 31 December 2019 as compared to a gross profit margin of 14.4% for the year ended 31 December 2018;

- As a result of the foregoing changes in revenue and cost of services of the Sports Services segment, the Group recorded a gross profit for the Sports Services segment of RMB21.2 million for the year ended 31 December 2019 as compared to a gross profit of RMB102.8 million recorded for the year ended 31 December 2018, representing a decrease of approximately 79.4% in gross profit. The Group recognised a gross profit margin of 25.0% for the year ended 31 December 2019 as compared to a gross profit margin of 53.6% for the year ended 31 December 2018; and

- As a result of the foregoing changes in revenue and cost of services of the Advertising Program and Branding segment, the Group did not record a gross loss for the Advertising Program and Branding segment for the year ended 31 December 2019 as compared to a gross loss of RMB2.9 million recorded for the year ended 31 December 2018. The gross loss margin changed to 0% for the year ended 31 December 2019 from 3.4% for the year ended 31 December 2018.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately 65.4% to RMB22.5 million for the year ended 31 December 2019 from RMB13.6 million for the year ended 31 December 2018. The increase was mainly due to the expenses from three subsidiaries newly acquired by the Group between 30 June 2018 and 23 November 2018.

General and Administrative Expenses

The Group's general and administrative expenses increased by approximately 19.7% to RMB68.0 million for the year ended 31 December 2019 from RMB56.8 million for the year ended 31 December 2018. This increase was mainly due to the expenses from three subsidiaries newly acquired by the Group between 30 June 2018 and 23 November 2018.

Other Income

The Group's other income decreased by approximately 79.9% to RMB17.7 million for the year ended 31 December 2019 from RMB88.0 million for the year ended 31 December 2018. The decrease was mainly due to the share compensation received from SDDA in the prior period and the decrease in the income generated from the low-risk treasury products purchased from reputable commercial banks.

Other Losses

The Group's other losses increased to RMB397.9 million for the year ended 31 December 2019 from RMB8.4 million for the year ended 31 December 2018. The increase in losses was mainly due to: (i) the impairment of goodwill under the Events Operation and Marketing cash-generating unit ("**CGU**") and the Sports Services CGU; (ii) the write-off of an exclusive operating right to a "Running in China"* (奔跑中國) marathon event included in intangible assets of SDDA; (iii) the loss on disposals of mainly Hong Kong listed equity securities under financial assets at fair value through profit or loss; and (iv) the increase in allowance for impairment of receivables.

Loss before Income Tax

As a result of the foregoing, the Group recorded loss before income tax of RMB499.9 million for the year ended 31 December 2019 as compared to a profit before income tax of RMB119.4 million recorded for the year ended 31 December 2018, representing a change of approximately -518.7% in profit before income tax.

Income Tax Credit

The Group's income tax credit was RMB15.3 million for the year ended 31 December 2019 while the income tax expense was RMB67.4 million for the year ended 31 December 2018. The change was mainly due to the reversal of deferred tax liability upon the write-off of an exclusive operating right to a "Running in China"* (奔跑中國) marathon event included in intangible assets of SDDA.

Loss Attributable to the Owners of the Company

As a result of the foregoing, the loss attributable to the owners of the Company amounted to RMB455.1 million for the year ended 31 December 2019 as compared to the profit attributable to the owners of the Company of RMB46.4 million for the year ended 31 December 2018.

Cash Flow

As at 31 December 2019, the Group's cash and cash equivalents amounted to approximately RMB167.3 million as compared to that of approximately RMB417.4 million as at 31 December 2018.

Working Capital

The Group's net current assets decreased by approximately 60.6% to RMB312.1 million as at 31 December 2019 from RMB791.9 million as at 31 December 2018. The current asset value of the Group decreased, while the working capital was maintained at a relatively high level that can adequately meet the daily working capital requirements and finance the business development.

Capital Expenditure

The Group's total expenditure on the acquisition of property, plant and equipment amounted to RMB1.5 million for the year ended 31 December 2019 (year ended 31 December 2018: RMB10.5 million).

CAPITAL STRUCTURE OF THE GROUP

The reorganisation of the Company and the subsidiaries of the Company as set out in the prospectus of the Company dated 28 June 2013 (the "**Prospectus**") was completed on 24 June 2013. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 11 July 2013. On 7 August 2013, the Company issued an additional 9,045,000 ordinary shares at the offer price of HK$2.11 each to the public upon the partial exercise of the over-allotment option. The options to subscribe for a total of 1,210,000 shares of the Company were granted on 23 May 2014 to employees of the Group. As at the date of this announcement, no option has been exercised. The options to subscribe for a total of 2,500,000 shares of the Company were granted on 29 May 2015 to employees of the Group. As at the date of this announcement, no option has been exercised. Save for the above, there was no alteration in the capital structure of the Group for the year ended 31 December 2019.

CHARGE ON ASSETS

As at 31 December 2019, there was no charge on the Group's assets (2018: Nil).

CONTINGENT LIABILITIES

As at 31 December 2019, the Group has a contingent liability of RMB2.3 million relating to a litigation matter undergoing in the PRC about a breach of contract for the provision of Events Operation and Marketing services (2018: RMB1.9 million about litigation and arbitration matters of service requisitions and labour disputes). The Directors are of the opinion that the ultimate liability, if any, would not be material to the Group's financial position given that claims are contested with uncertain final outcome of proceedings.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: RMB0.062 per share). The Company did not declare payment of an interim dividend for the six months ended 30 June 2019.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting ("**AGM**") of the Company is expected to be held on Tuesday, 30 June 2020. In order to determine the shareholders who will be qualified for attending and voting at the AGM, the register of members of the Company will be closed from Wednesday, 24 June 2020 to Tuesday, 30 June 2020, both days inclusive. To be eligible to attend and vote at the AGM, all completed transfer document(s) together with the relevant share certificate(s) must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 23 June 2020 for registration.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

CORPORATE GOVERNANCE CODE

The Company has applied the principles/code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The Board is of the view that for the year ended 31 December 2019, the Company has complied with the code provisions as set out in the CG Code, save and except for code provision A.2.1. Details of which are set out below.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Ren Wen, who acts as the chairlady of the Board and an executive Director, is also the president of the Company.

The Board meets regularly to consider major matters affecting the operations of the Group while Ms. Ren Wen is also responsible for the implementation of the strategic layout of the Group. The Board considers that this structure does not impair the balance of power and authority between the Board and the management of the Group as the Directors and the senior management perform separate duties to assist the chairlady and the president. The Board considers that this structure ensures an effective operation of the Group by exercising consolidated and consistent leadership.

The Company nevertheless understands the importance of compliance with the code provision A.2.1 of the CG Code and will continue to review the structure from time to time and consider separating the role of chairman/chairlady and president to be held by different individuals as and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry with all Directors, each of the Directors confirmed that he/she has complied with the Model Code throughout the year ended 31 December 2019.

The Company has also established written guidelines no less exacting than the Model Code (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the year ended 31 December 2019.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules and with terms of reference in compliance with the code provision C.3 of the CG Code for the purpose of reviewing the financial information and providing supervision on the financial reporting system and the review of the risk management and internal control systems as well as the effectiveness of the internal audit function of the Group.

As at the date of this announcement, the Audit Committee comprises three members, namely Mr. Chen Zhijian (chairman), Mr. Jin Guoqiang and Mr. Ip Kwok On Sammy, all being independent non-executive Directors.

The Audit Committee communicated with the external auditor of the Company to discuss the review process and accounting issues of the Company. The Audit Committee, together with the management of the Company, has reviewed the audited consolidated financial results of the Group for the year ended 31 December 2019 and considers that the results are in compliance with generally accepted accounting principles as well as the applicable laws and regulations.

AUDITOR

The figures of the Group's results for the year ended 31 December 2019 as set out in this announcement have been agreed by the Group's auditor, RSM Hong Kong, to be the same amounts set out in the Group's audited consolidated financial statements for the year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and consequently no assurance has been expressed by RSM Hong Kong on this announcement.

CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRS that are first effective in the Reporting Period, certain of which are relevant to the Group's consolidated financial statements for the year ended 31 December 2019. For details, please refer to Note 3 to the consolidated financial statements in this announcement.

SIGNIFICANT INVESTMENTS/FUTURE PLANS FOR MATERIAL INVESTMENTS

On 11 January 2019, Jiangxi Wisdom Sports Culture Co., Ltd.* (江西維世德體育文化有限公司) ("**Jiangxi Wisdom**"), a wholly-owned subsidiary of the Company, entered into a limited partnership agreement with U.S.-China Green Fund Management (Beijing) Co., Ltd.* (中美綠色基金管理（北京）有限公司) to subscribe the investment of RMB50.0 million in Beijing U.S.-China Green Fund Investment Center (Limited Partnership)* (北京中美綠色投資中心（有限合夥）) ("**U.S.-China Green Fund**"), the investment scope of which includes green energy, energy saving and environmental protection, medical and health care, consumption upgrading, green building and other related industries. Upon completion of the subscription of the investment in U.S.- China Green Fund by Jiangxi Wisdom, Jiangxi Wisdom would become one of the limited partners of U.S.-China Green Fund. This transaction constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 11 January 2019.

Save as disclosed in this announcement, the Group did not make any significant investments during the year ended 31 December 2019. Save as disclosed in the section headed "Events after the Reporting Period" in this announcement, no material plan for future investments was noted as at the date of this announcement.

PROVISION OF LOAN

On 1 November 2019, Wisdom Sports Entertainment (Zhejiang) Co., Ltd.* (智美體育文化(浙江)有限公司) ("**Wisdom Zhejiang**"), a wholly-owned subsidiary of the Company, entered into a loan agreement with Beijing Allx Health Technology Co., Ltd.* (北京全向時空健康科技有限公司) ("**Beijing Allx**"), pursuant to which Wisdom Zhejiang agreed to provide a three-year loan of RMB50,000,000 to Beijing Allx, which bears interest at a rate of 4.75% per annum. The loan is guaranteed by the security provided by independent third party guarantors.

This transaction constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcements of the Company dated 3 November 2019 and 8 November 2019, respectively.

LITIGATION

In December 2019, several subsidiaries of the Company began to initiate legal proceedings (the "**Legal Proceedings**") against Wisdom Sports Arena Operation (Shenzhen) Co., Ltd. (the "**Arena Company**") in relation to, among others, (i) return of loan; (ii) return of investment; (iii) return of prepayments; and (iv) return of payment on behalf, amounting to a total claim of approximately RMB38.0 million. Most of the Legal Proceedings formally commenced in February 2020. Please refer to the Company's announcement dated 11 February 2020 for further details. As at the date of this announcement, none of the Legal Proceedings have been concluded.

Save as disclosed in this announcement, there is no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects since 31 December 2019 and up to the date of this announcement which the Board is aware of.

EVENTS AFTER THE REPORTING PERIOD

The prevalence of the novel coronavirus pneumonia from January 2020 has hindered the organisation of sports-related competitions globally to minimise the risk of human transmission among participants. As a result, it is expected the Group's consolidated financial performance, consolidated financial position and consolidated cash flows would be affected in 2020 under the temporary suspension of marathon and other sports events. Nevertheless, the Board is of the opinion that the Group would be able to continue as a going concern based on the Group's net current assets position as at 31 December 2019.

In addition, the Board announced on 25 March 2020 that 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 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. Please refer to the Company's announcement dated 25 March 2020 for further details.

PUBLIC FLOAT

Based on the information that is available to the Company and to the best knowledge and belief of the Board, the Company has maintained at least 25% of the Company's total number of issued shares held by the public throughout the year ended 31 December 2019 and up to the date of this announcement.

PUBLICATION OF 2019 ANNUAL RESULTS AND 2019 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (https://www.hkexnews.hk) and the Company (http://www.wisdomsports.com.cn), and the 2019 Annual Report of the Company, containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 30 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 Guoqiang.

* *For identification purpose only*