
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your securities broker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Wisdom Sports Group**, you should at once hand this circular, the accompanying form of proxy and reply slip to the purchaser or transferee or to the bank, securities broker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**WISDOM SPORTS GROUP****智美體育集團***(Incorporated in the Cayman Islands with limited liability)***(Stock code: 1661)****MAJOR TRANSACTION – DISPOSAL OF PROPERTIES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalized terms used in this cover shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 13 of this circular.

A notice convening the EGM to be held at Suite 710, 7/F, Block 1, Kunsha Center, No. 16, Xinyuanli, Chaoyang District, Beijing 100027, the PRC on Wednesday, 24 May 2023 at 2:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>) and the Company (<http://www.wisdomsports.com.cn>).

If you are unable to attend the EGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

9 May 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the same meanings as set out below:

| | |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Announcement” | the announcement of the Company dated 11 April 2023 in relation to, among other things, the Disposals |
| “Agreement” | the sale and purchase agreement dated 11 April 2023 entered into between the Vendor and the Purchasers in relation to the sale and purchase of the Properties |
| “associate” | has the meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “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 meaning ascribed to it under the Listing Rules |
| “Consideration” | the condensation of approximately RMB32.89 million |
| “controlling shareholder” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the directors of the Company |
| “Disposals” | the disposal of the Properties by the Vendor to the Purchasers |
| “EGM” | the extraordinary general meeting of the Company to be held at Suite 710, 7/F, Block 1, Kunsha Center, No. 16, Xinyuanli, Chaoyang District, Beijing 100027, the PRC on Wednesday, 24 May 2023 at 2:00 p.m. for the purpose of considering and approving the Disposals |
| “Experts” | Avista Valuation Advisory Limited and Jingsh Law Firm |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | third party(ies) independent of and not connected with the Company and its connected persons |

DEFINITIONS

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| “Latest Practicable Date” | 5 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Main Board” | the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange |
| “PRC” | the People’s Republic of China, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “Properties” | the properties to be sold under the Agreement, details of which are set out in the section headed “Letter from the Board” |
| “Property Agent” | Beijing Hualiang Realty Agency Co., Ltd.* (北京華亮房地產經紀有限公司) |
| “Purchasers” | Purchaser A, Purchaser B, Purchaser C, Purchaser D, Purchaser E, Purchaser F, Purchaser G and Purchaser H |
| “Purchaser A” | Beijing Enze Hengyuan Technology Co., Ltd.* (北京恩澤恒遠科技有限公司) |
| “Purchaser B” | Beijing Enze Shengqiang Technology Co., Ltd.* (北京恩澤盛強科技有限公司) |
| “Purchaser C” | Beijing Enze Xingtu Technology Co., Ltd.* (北京恩澤星圖科技有限公司) |
| “Purchaser D” | Beijing Enze Jiaye Technology Co., Ltd.* (北京恩澤嘉業科技有限公司) |
| “Purchaser E” | Beijing Enze Guangyu Technology Co., Ltd.* (北京恩澤廣宇科技有限公司) |
| “Purchaser F” | Beijing Enze Xingchen Technology Co., Ltd.* (北京恩澤星辰科技有限公司) |
| “Purchaser G” | Beijing Enze Qihang Technology Co., Ltd.* (北京恩澤起航科技有限公司) |

DEFINITIONS

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|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| “Purchaser H” | Beijing Enze Haohan Technology Co., Ltd.* (北京恩澤浩瀚科技有限公司) |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| “Share(s)” | ordinary share(s) of US\$0.00025 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of (a) Share(s) |
| “sqm.” | Square metre |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Beijing Wisdom Media Holding Co., Ltd.* (北京智美傳媒股份有限公司), a subsidiary of the Company held through structured contracts |
| % | per cent |

* *for identification purposes only*

LETTER FROM THE BOARD



WISDOM SPORTS GROUP
智美體育集團

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1661)

Executive Directors:

Ms. Ren Wen (*Chairlady*)
Mr. Sheng Jie (*Vice chairman*)
Mr. Song Hongfei (*President*)
Ms. Hao Bin

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Chen Zhijian
Mr. Ip Kwok On Sammy
Mr. Jin Guoqiang

Headquarters and Principal Place of

Business in the PRC:
7/F, Block 1, No.16, Xinyuanli
Chaoyang District, Beijing, PRC

Principal Place of Business in Hong Kong:

5/F, Manulife Place
348 Kwun Tong Road
Kowloon, Hong Kong

9 May 2023

Dear Sir/Madam,

To the Shareholders,

**MAJOR TRANSACTION – DISPOSAL OF PROPERTIES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Reference is made to the Announcement in relation to Disposals. The purpose of this circular is to provide you with, among other things, (i) further details of the Disposals; (ii) financial information on the Group; (iii) valuation report on the Properties; and (iv) notice of the EGM.

LETTER FROM THE BOARD

II. THE DISPOSALS

On 11 April 2023 (after trading hours), the Vendor, being a wholly-owned subsidiary of the Company held through structured contracts, has entered into the Agreement with the Purchasers, pursuant to which the Vendor has agreed to sell and the Purchasers have agreed to purchase the Properties at the aggregate Consideration of approximately RMB32.89 million.

III. THE AGREEMENT

Date: 11 April 2023 (after trading hours)

Vendor: The Vendor

Purchasers: Purchaser A;
Purchaser B;
Purchaser C;
Purchaser D;
Purchaser E;
Purchaser F;
Purchaser G; and
Purchaser H.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchasers and their respective ultimate beneficial owners is an Independent Third Party.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchasers, their respective directors and legal representatives and any ultimate beneficial owner(s) of the Purchasers; and (b) the Company, any connected person at the Company's level, and/or any connected person of the Vendor.

Property Agent: The Property Agent

Properties: Being the units 701, 702, 703, 705, 706, 709, 710, 711 of Block 1, 7/F, 16 Xinyuan Lane, Chaoyang District, Beijing, the PRC with an aggregate gross floor area of 1,060.93 sqm. and are for residential use.

Certain units of the Properties have been leased out, and the related financial information is as follows:

LETTER FROM THE BOARD

| <i>RMB'000</i> | Year ended 31 December | |
|-----------------------|-------------------------------|-------------|
| | 2021 | 2022 |
| Revenue | 429.3 | 445.4 |
| Net profit before tax | 315.2 | 326.5 |
| Net profit after tax | 236.4 | 244.9 |

Consideration: Being approximately RMB32.89 million

Payment Terms: Consideration shall be payable as follows:

- (i) the deposit of RMB2.0 million is payable upon the signing of Agreement and such deposit shall be automatically convert into part of the Consideration; and
- (ii) the remaining balance of approximately RMB30.89 million is payable to the escrow account of the Vendor prior to the transfer of property title and payment of taxes. The payment may be made in batches based on the transfer sequence of the Properties.

Basis of determination of the Consideration: The Consideration was determined after arm's length negotiations between the Vendor and the Purchasers on normal commercial terms with reference to, among other things, a draft valuation report on the Properties as at 31 March 2023 of approximately RMB30.30 million based on the market approach conducted by an independent property valuer. The Consideration represents a premium of approximately 8.55% to the valuation.

Completion: The Vendor and the Purchasers shall apply for transfer of property title within 40 days after the Agreement is executed. After the 40 days period, the Vendor may unilaterally extend completion of the Property with unit number 709 to another 30 natural days.

The Vendor shall cooperate with the Purchasers to complete the transfer of property title for the corresponding Properties within 3 business days after receipt of the payment for the corresponding Property.

Transfer: For self-occupied Properties (being Properties with unit numbers 702, 701, 711, 710 and 709), vacant possession shall be delivered by the Vendor to Purchasers within one month after transfer of property title of the last Property to be disposed of.

LETTER FROM THE BOARD

The properties risk shall be transferred from the Vendor to Purchasers on (i) for self-occupied Properties, the date of transfer of vacant possession; and (ii) for leased Properties, the date of transfer of title document.

On the date of delivering vacant possession to the Purchasers, the Vendor and the Purchasers shall:

- (i) inspect the condition of the ancillary facilities and equipment, decoration and related items in the Properties, record the meter reading of water, electricity and gas and handover the related items;
- (ii) sign on the list of ancillary facilities and equipment, decoration and the related items of the Properties; and
- (iii) transfer the keys of the Properties.

In addition, it was further agreed that:

- (i) the Vendor shall transfer the rental payment and deposit of the leased Properties to the Purchasers on the date on which the Purchasers have acquired title document of such Properties;
- (ii) the Vendor has already paid for the property fee and electricity fee of the Properties until 31 October 2023. For the leased Properties, the Purchasers shall return the additional payments made by the Vendor on the date of the completion of the title transfer. For the self-occupied Properties, the Purchasers shall return the additional payments made by the Vendor upon completion of the title transfer and on the date of delivery of vacant possession of such Properties; and
- (iii) the Vendor has already paid for the property tax and land-use tax in respect of the Properties until 30 June 2023, the Purchasers shall return the additional payments made by the Vendor on the date of completion of the title transfer.

LETTER FROM THE BOARD

Breach by the Vendor:

If there is delay in the delivery of vacant possession by the Vendor to the Purchasers:

- (i) for delay of 30 days or less, the Vendor shall pay a daily penalty fee of 0.05% of the sum already paid by the Purchasers, accrued for the period of delay in transfer of possession; and
- (ii) for delay of over 30 days, the Purchasers are entitled to return the Properties. The Vendor shall return all sums already paid by the Purchasers and further pay a penalty fee equal to 20% of the sum already paid by the Purchasers.

If the Purchasers are unable to obtain the title documents of the Properties as agreed due to reasons of the Vendor, the Purchasers are entitled to return the Properties and the Vendor shall return all sums already paid by the Purchasers and further pay a penalty fee equal to 20% of the sum already paid by the Purchasers. If the Purchasers do not elect to return the Properties, the Vendor shall pay a daily penalty fee of 0.05% of the sum already paid by the Purchasers, accrued for the period of delay in obtaining the title documents.

If the Vendor sell the Properties to a third party other than the party designated by the Purchasers and as a result, the Purchasers are unable to obtain the title documents of the Properties, the Purchasers are entitled to return the Properties. The Vendor shall (i) return all sums already paid by the Purchasers, (ii) pay an interest calculated at the quoted market interest rate for the loan market published by the National Interbank Funding Center, accrued from the delivery date of the notice in respect of the return of Properties and (iii) pay a penalty fee which is equivalent to the sum already paid by the Purchasers.

The Vendor shall apply to the title management authority for relocation of title within 10 days after the transfer of property title. If the existing title could not be relocated due to reasons of the Vendor, the Vendor shall pay a daily penalty fee of 0.05% of the sum already paid by the Purchasers, accrued for the period of delay in relocating the property title.

LETTER FROM THE BOARD

- Breach by the Purchasers:** If there is delay in payment by the Purchasers to the Vendor:
- (i) for delay of 30 days or less, the Purchasers shall pay a daily penalty fee of 0.05% of the outstanding sum to the Vendor, accrued for the period of delay in payment; and
 - (ii) for delay of over 30 days, the Vendor is entitled to terminate the Agreement and the Purchasers shall pay to the Vendor a penalty fee equal to 20% of the outstanding sum, and the Vendor shall return all sums already paid by the Purchasers.

- Other Terms:** For the purpose of the Disposals, the Properties must be sold together by the Vendor to all or some of the Purchasers under one transaction. If during the Disposals, the Purchasers do not make the entire purchase, the Vendor has the right to choose one of the following treatments:
- (i) request the Purchasers to return the purchased Property(ies) and the defaulting party shall be responsible for the return cost. The deposit of RMB2.0 million will not be returned; or
 - (ii) the Purchasers will not be required to return the purchased Property(ies) but the deposit of RMB2.0 million will not be returned.

IV. FINANCIAL EFFECT OF THE DISPOSALS AND INTENDED USE OF PROCEEDS

As shown in the audited consolidated statement of financial position of the Company as at 31 December 2022, the Properties were classified as either investment properties or property, plant and equipment depending on whether they are leased. As at 31 December 2022, the fair value of the leased Properties, which were classified as investment properties of the Company, was RMB11.14 million. The net book value of the self-occupied Properties, which were classified as property, plant and equipment of the Company, was RMB7.51 million. The Group is expected to record a gain of approximately RMB14.24 million from the Disposals, which is calculated based on the Consideration to be received by the Group from the Disposals less the fair value of the leased Properties of RMB11.14 million and the net book value of the self-occupied Properties of RMB7.51 million as at 31 December 2022 before related expenses.

Despite that the Company does not have a specified plan for the use of proceeds, the Company intends to use the net proceeds from the Disposals as general working capital of the Group which include, among others, to prepare for events previously contracted, expand the operation of events and develop sports life service products that are more demanded by the general public after the COVID-19 pandemic.

LETTER FROM THE BOARD

V. REASONS FOR AND BENEFITS OF THE DISPOSALS

In view of the prospects of the property market in the PRC and having considered that the Consideration of approximately RMB32.89 million represents a premium of approximately 8.55% to the valuation of the Properties of approximately RMB30.30 million, the Directors are of the view that the Disposals represent an opportunity for the Group to realise the value of the Properties. In addition, the Disposals enable the Group to focus more resources on the core business and key development strategies. The sports industry in the PRC is gradually recovering from the impact of COVID-19 pandemic and the Group has resumed normal business operation. The Board would like to utilise the net proceeds from the Disposals to strengthen the event operation and marketing segment and sports service segment with the aim to alleviate the negative impact brought by the COVID-19 pandemic.

In view of the above, the Directors consider that the terms of the Agreement (including the Consideration), although not in the ordinary and usual course of business of the Company, are on normal commercial terms and are fair and reasonable, and the Disposals are in the interests of the Company and its Shareholders as a whole.

VI. INFORMATION OF THE PARTIES

The Group

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.

The Vendor

The Vendor is a limited liability company established in the PRC on 26 December 2006 and is a wholly-owned subsidiary of the Company held through structured contracts and primarily engaged in investment holding.

Purchaser A

Purchaser A is a limited liability company established in the PRC on 24 March 2023 which is held as to 1% by WANG Yukun (王玉坤) and 99% by Beijing Enze Runxin Technology Development Co., Ltd.* (北京恩澤潤心科技發展有限公司) (“**Beijing Enze**”), which is in turn held by LIU Jin (劉錦) and JIA Yan (賈岩) as to 50% each. Purchaser A is an investment holding vehicle of LIU Jin and JIA Yan.

Purchaser B

Purchaser B is a limited liability company established in the PRC on 22 March 2023 which is held as to 1% by MENG Qingde (孟慶德) and 99% by Beijing Enze, which is in turn held by LIU Jin and JIA Yan as to 50% each. Purchaser B is an investment holding vehicle of LIU Jin and JIA Yan.

LETTER FROM THE BOARD

Purchaser C

Purchaser C is a limited liability company established in the PRC on 24 March 2023 which is held as to 1% by WANG Yukun and 99% by Beijing Enze, which is in turn held by LIU Jin and JIA Yan as to 50% each. Purchaser C is an investment holding vehicle of LIU Jin and JIA Yan.

Purchaser D

Purchaser D is a limited liability company established in the PRC on 24 March 2023 which is held as to 1% by WANG Yukun and 99% by Beijing Enze, which is in turn held by LIU Jin and JIA Yan as to 50% each. Purchaser D is an investment holding vehicle of LIU Jin and JIA Yan.

Purchaser E

Purchaser E is a limited liability company established in the PRC on 24 March 2023 which is held as to 1% by WANG Yukun and 99% by Beijing Enze, which is in turn held by LIU Jin and JIA Yan as to 50% each. Purchaser E is an investment holding vehicle of LIU Jin and JIA Yan.

Purchaser F

Purchaser F is a limited liability company established in the PRC on 20 March 2023 which is held as to 1% by MENG Qingde and 99% by Beijing Enze, which is in turn held by LIU Jin and JIA Yan as to 50% each. Purchaser F is an investment holding vehicle of LIU Jin and JIA Yan.

Purchaser G

Purchaser G is a limited liability company established in the PRC on 22 March 2023 which is held as to 1% by MENG Qingde and 99% by Beijing Enze, which is in turn held by LIU Jin and JIA Yan as to 50% each. Purchaser G is an investment holding vehicle of LIU Jin and JIA Yan.

Purchaser H

Purchaser H is a limited liability company established in the PRC on 23 March 2023 which is held as to 1% by MENG Qingde and 99% by Beijing Enze, which is in turn held by LIU Jin and JIA Yan as to 50% each. Purchaser H is an investment holding vehicle of LIU Jin and JIA Yan.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchasers and their respective ultimate beneficial owners is an Independent Third Party.

VII. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposals is more than 25% but less than 75%, the Disposals constitute a major transaction for the Company and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Agreement and is therefore required to abstain from voting at the EGM for the relevant resolutions.

VIII. BOOK CLOSURE FOR EGM ATTENDANCE

In order to ascertain the right to attend the EGM, the register of members of the Company will be closed from Friday, 19 May 2023 to Wednesday, 24 May 2023 (both days inclusive) during which period no transfer of Share(s) will be registered.

Shareholders are reminded that in order to be entitled to attend the EGM, all properly completed transfer form(s) accompanied by the relevant share certificate(s) must be lodged with the Company's share registrar in Hong Kong, 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 Thursday, 18 May 2023.

IX. EGM AND PROXY ARRANGEMENT

A notice convening the EGM to be held at Suite 710, 7/F, Block 1, Kunsha Center, No. 16, Xinyuanli, Chaoyang District, Beijing 100027, the PRC on Wednesday, 24 May 2023 at 2:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular for the purpose of considering and, if thought fit, passing the resolution(s) set out therein.

You will find enclosed a form of proxy for use at the EGM. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, if you so wish.

An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under the Listing Rules.

X. RECOMMENDATION

Having considered the reasons set out herein, the Directors (including independent non-executive Directors) consider that the Disposals and the transactions contemplated thereunder, although not in the ordinary and usual course of business of the Company, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommend the Shareholders to vote in favour of the relevant resolution(s) to proposed at the EGM.

LETTER FROM THE BOARD

XI. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the shareholders at a general meeting must be taken by poll except where the chairman of the annual general meeting in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolution(s) set out in the notice of EGM will be taken by way of poll. On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

XII. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

As the Disposals are subject to, amongst others, approval by the Shareholders at the EGM and may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Wisdom Sports Group
Ren Wen

Chairlady and Executive Director

I. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Company for the financial years ended 31 December 2020, 2021 and 2022, together with the relevant notes thereof are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (<http://www.wisdomsports.com.cn>):

- (i) the annual report of the Company for the year ended 31 December 2020 (pages 72 to 165) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0426/2021042600468.pdf>);
- (ii) the annual report of the Company for the year ended 31 December 2021 (pages 82 to 169) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042601085.pdf>); and
- (iii) the annual report of the Company for the year ended 31 December 2022 (pages 80 to 161) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042601961.pdf>).

II. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had no borrowings.

Apart from intra-group liabilities, the Group did not have, as of 31 March 2023, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

III. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources available to the Group, including internally generated funds as at 31 March 2023, together with the external fund raised from the Disposals amounted to approximately RMB32.89 million, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular. The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

IV. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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.

Since the Spring Festival in 2023, with the gradual disappearance of the COVID-19 pandemic, work and production have resumed in China and all walks of life were restarted and showed a rapid recovery. The Group has also quickly resumed normal business operations after the Spring Festival by proactively making preparations for the events during the contract period, and actively communicating and liaising with local governments and event organizers to arrange and plan the event resources of 2023. After the pandemic, people have more urgent needs and higher expectations for their physical health, and hope to strengthen their physical and mental health through exercise. While continuing to expand the operation of events, the Group is also developing sports life service products that are more demanded by the general public in the post-pandemic era to satisfy the pursuit of sports, health, leisure and active life of the general public.

The three-year pandemic had a significant impact on the sports industry in China, resulting in the stagnation in the development of all industries. Looking ahead, although the pandemic has passed, it still takes time to recover the economic impacts brought by the external environment. While actively pursuing its existing road running business, the Group also explores and develops other business models and strives to reduce costs in all aspects, in order to quickly overcome the haze of the pandemic and restore industry vitality.

The Board is of the view that, the business performance of the Group will progressively improve as the pandemic gradually subsides. Sports industry remains an emerging industry in the future and there should not be any significant adverse impact on the overall operation and cash flows of the Group. The Board considers that the Disposals will provide additional working capital to the Group to further the development of the other business models and the sports life service products mentioned above.

V. MATERIAL ADVERSE CHANGE

The Directors confirm that to the best of the Directors' knowledge, there was no material adverse change in the financial or trading position of the Group since 31 December 2022 (being the date to which the latest published audited financial statements of the Company were made up) up to the Latest Practicable Date.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 March 2023 of the property interests held by the Group.



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12 April 2023

The Board of Directors

Wisdom Sports Group (智美體育集團)

5/F, Manulife Place,
348 Kwun Tong Road,
Kowloon, Hong Kong

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of Wisdom Sports Group (智美體育集團) (the “**Company**”) for us to carry out the valuation of the property interests (the “**Property**”) located in the People’s Republic of China (the “**PRC**”) held by the Company and its subsidiaries (hereinafter together referred to as the “**Group**”). We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 March 2023 (the “**Valuation Date**”).

VALUATION STANDARDS

In valuing the Property, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the RICS Valuation – Global Standards 2022 published by the Royal Institution of Chartered Surveyors (“**RICS**”) and the International Valuation Standards published from time to time by the International Valuation Standards Council.

BASIS OF VALUATION

Our valuation is carried out on a market value basis, which is defined by the Royal Institution of Chartered Surveyors as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”.

CATEGORISATION OF PROPERTY INTERESTS

In the course of our valuation, the Property have been categorized according firstly to type of interests held by the Group, which in turn being classified into the following groups:

Group I – Property interests held for investment by the Group in the PRC.

VALUATION ASSUMPTIONS

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In the course of our valuation of the Property in the PRC, we have assumed that transferable land use rights in respect of the Property for a specific term at nominal annual land use fees have been granted and that any premium has already been fully settled. We have relied on the advice given by the Group and its legal adviser, being Jingsh Law Firm (京師律師事務所) (the “**PRC Legal Adviser**”), regarding the title to the Property. For the purpose of our valuation, we have assumed that the grantee has an enforceable title to the property.

In valuing the Property, we have relied on a legal opinion regarding the property interests provided by the PRC Legal Adviser dated 11 April 2023 (the “**PRC Legal Opinion**”), which states the Group has legally obtained the building ownership of the Property. The grantees or the users of the Property have free and uninterrupted rights to use or to assign the Property for the whole of the unexpired term as granted.

Unless noted in the report, vacant possession is assumed for the Property concerned.

Moreover, we have assumed that the design and construction of the Property are/will be in compliance with the local planning regulations and requirements and had been/would have been duly examined and approved by the relevant authorities.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the Property described and that no encroachment or trespass exists, unless noted in the report.

We have further assumed that the Property was not transferred or involved in any contentious or non-contentious dispute as at the Valuation Date. We have also assumed that there was not any material change of the Property in between dates of our inspection and the Valuation Date.

VALUATION METHODOLOGY

We adopted market approach in valuing the Property held by the Group. It is generally by comparing recent market evidence of similar properties located in the neighbourhood area of the Properties. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the properties. This approach is commonly used to value properties where reliable market evidence is available.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the Property in the PRC. Where possible, we have examined the original documents to verify the existing title to the Property in the PRC and any material encumbrance that might be attached to the Property or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied considerably on the PRC Legal Opinion given by the PRC Legal Adviser, concerning the validity of title of the Property in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the Property. The site inspection was carried out on 10 April 2023 by Lydia Xiong (Assistant Manager) who is a Certified Public Valuer (CPV) and has about 7 years' experience in the valuation of properties in the PRC. In the course of our inspection, we did not note any serious defects. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Group or the PRC Legal Adviser or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of Property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our valuation certificate is attached below.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Notes: Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 10 years' experience in the valuation of properties including Hong Kong, the PRC, the U.S., East and Southeast Asia.

VALUATION CERTIFICATE

Group I - Property interests held for investment by the Group in the PRC

| No. | Property | Description and tenure | Particulars of occupancy | Market value in existing state as at 31 March 2023 RMB |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| 1. | Units 701, 702, 703, 705, 706, 709, 710 and 711, Block 1, Kunsha Centre, No. 16 Xinyuanli, Chaoyang District, Beijing City, the PRC (中國北京市朝陽區新源里16號琨莎中心7層1座701、702、703、705、706、709、710及711室) | <p>The Property comprises 8 office units on the seventh floor of a 24-storey office building within a development named Kunsha Centre, completed in about 2006.</p> <p>The total gross floor area of the Property is approximately 1,060.93 sq.m.</p> <p>The Property is located on the seventh floor of Kunsha Centre, at the junction of Xin Dong Road and Xin Yuan Nan Road in Chaoyang District of Beijing City, with approximately 1.2 km to Liangmaqiao station of Beijing Subway and 22.2 km to Beijing Capital International Airport.</p> <p>The land use rights of the Property have been granted for a term expiring on 12 June 2073 for residential use.</p> | <p>The Property with a lettable area of 392.48 sq.m. was leased to 3 tenants as at the Valuation Date. The remaining portion of the Property was owner-occupied.</p> | 30,300,000 |

Notes:

1. Pursuant to 8 Building Ownership Certificates issued by Chaoyang District Bureau of Housing Management of Beijing Municipality (北京市朝陽區房屋管理局), the Property with a total gross floor area of approximately 1,060.93 sq.m. have been vested to Beijing Wisdom Media Holding Co., Ltd. (北京智美傳媒股份有限公司) with key details as follows:

| Building Ownership Certificate No. | Issue Date | Gross Floor Area (sq.m.) |
|-------------------------------------------|-------------------|---------------------------------|
| Jing Fang Quan Zheng Chao Zi No. 923414 | 8 November 2010 | 161.43 |
| Jing Fang Quan Zheng Chao Zi No. 923698 | 8 November 2010 | 114.54 |
| Jing Fang Quan Zheng Chao Zi No. 923682 | 8 November 2010 | 114.54 |
| Jing Fang Quan Zheng Chao Zi No. 923480 | 8 November 2010 | 161.43 |
| Jing Fang Quan Zheng Chao Zi No. 923642 | 8 November 2010 | 116.51 |
| Jing Fang Quan Zheng Chao Zi No. 923646 | 8 November 2010 | 114.54 |
| Jing Fang Quan Zheng Chao Zi No. 923736 | 8 November 2010 | 161.43 |
| Jing Fang Quan Zheng Chao Zi No. 923662 | 8 November 2010 | 116.51 |

2. The Group represents that no land use right certificates have been obtained as of the Valuation Date. However, pursuant to the PRC Legal Opinion, the land use rights on which the Property is located had been obtained simultaneously with the 8 Building Ownership Certificates of the Property.
3. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following: –
- The Group has legally and validly obtained the building ownership of the property under the terms of the Building Ownership Certificates;
 - According to the PRC law, both building ownership and land use right of the Property shall transfer simultaneously when the real estate ownership transfer. As a result, the land use rights on which the Property is located had been obtained simultaneously with the Building Ownership Certificates of the Property. Upon the disposal of the Property, building ownership shall be transferred simultaneously with the land use rights;
 - The Property was not pledged, seized and subjected to other material encumbrances such as administrative restriction and advance notice registration; and
 - The Group has the right to occupy, use, transfer, lease and mortgage the Property.
4. Pursuant to 3 tenancy agreements and advised by the Company, Units 703, 705 and 706 of the Property with a lettable area of 392.48 sq.m. was leased to 3 independent third parties at a total monthly rent of RMB51,743 (inclusive of value-added tax) for various terms with the expiry dates of 18 November 2023 and 5 April 2025.
5. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the Property, we have made references to relevant sales comparables located in the area close to the Property with similar building conditions and facilities as the Property. The unit prices of the comparables are ranging from RMB28,000 to RMB31,000 per sq.m. The unit rates adopted in the valuation are consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, time and size, etc.

The following is the text of a letter prepared for the purpose of incorporation in this circular received from Jingsh Law Firm, a PRC legal advisor which is an Independent Third Party, in connection with the ownership of the Properties.



**LEGAL OPINION OF
BEIJING JINGSH LAW FIRM**

[2023] Jingsh Fei Su Zi No. 576821

Beijing Wisdom Media Holding Co., Ltd.,

Beijing Jingsh Law Firm is a lawyer's practice institution approved by the judicial administration of the People's Republic of China according to law and legally established that is qualified to engage in legal services within the territory of the People's Republic of China. At the request of your company, our firm have assigned lawyers Wu Jing and Bi Chen to issue this legal opinion on the matters concerning the ownership of real estate of your company in the People's Republic of China based on the facts that have occurred before the date of issuance and necessary investigations and merely in accordance with the prevailing PRC laws but not any laws outside the PRC.

I. THE MAIN FACTUAL BASIS FOR OUR LAWYERS TO ISSUE THIS LEGAL OPINION

1. X Jing Fang Quan Zheng Chao Zi No. 923414 "Housing Ownership Certificate";
2. X Jing Fang Quan Zheng Chao Zi No. 923698 "Housing Ownership Certificate";
3. X Jing Fang Quan Zheng Chao Zi No. 923682 "Housing Ownership Certificate";
4. X Jing Fang Quan Zheng Chao Zi No. 923480 "Housing Ownership Certificate";
5. X Jing Fang Quan Zheng Chao Zi No. 923642 "Housing Ownership Certificate";
6. X Jing Fang Quan Zheng Chao Zi No. 923646 "Housing Ownership Certificate";
7. X Jing Fang Quan Zheng Chao Zi No. 923736 "Housing Ownership Certificate";
8. X Jing Fang Quan Zheng Chao Zi No. 923662 "Housing Ownership Certificate";
9. "Real Estate Registration Information Inquiry Result Notice" No.: 20230902147;
10. "Real Estate Registration Information Inquiry Result Notice" No.: 20230902196;

11. “Real Estate Registration Information Inquiry Result Notice” No.: 20230902207;
12. “Real Estate Registration Information Inquiry Result Notice” No.: 20230902215;
13. “Real Estate Registration Information Inquiry Result Notice” No.: 20230902223;
14. “Real Estate Registration Information Inquiry Result Notice” No.: 20230911556;
15. “Real Estate Registration Information Inquiry Result Notice” No.: 20230911558;
16. “Real Estate Registration Information Inquiry Result Notice” No.: 20230911563.

II. THE MAIN LEGAL BASIS FOR OUR LAWYERS TO ISSUE THIS LEGAL OPINION

1. The “Civil Code of the People’s Republic of China”;
2. The “Company Law of the People’s Republic of China”;
3. The “Law of the People’s Republic of China on the Administration of Urban Real Estate”;
4. The “Interim Regulations of the People’s Republic of China Concerning the Assignment and Transfer of the Right to Use of the State-Owned Land in the Urban Areas”.

III. LEGAL OPINION ISSUED BY OUR LAWYERS

As of the date of issuance of this legal opinion, the “Housing Ownership Certificates” of the above-mentioned eight houses provided by your company are set out in detail in the attachment of this legal opinion. These “Housing Ownership Certificates” record the location, owner, ownership certificate number, co-ownership, registration time, housing nature, planned use, housing area, and method of acquiring land use rights of the eight houses. After careful verification by our lawyers, these eight houses have no registration of mortgage, registration of seizure, administrative restrictions, advance notice registration, objection and other circumstances, and the land use term each in respect of such eight houses is up to 12 June 2073.

Based on the above facts, our firm believes that:

Your company has the housing ownership of houses under X Jing Fang Quan Zheng Chao Zi No. 923414, X Jing Fang Quan Zheng Chao Zi No. 923698, X Jing Fang Quan Zheng Chao Zi No. 923682, X Jing Fang Quan Zheng Chao Zi No. 923480, X Jing Fang Quan Zheng Chao Zi No. 923642, X Jing Fang Quan Zheng Chao Zi No. 923646, X Jing Fang Quan Zheng Chao Zi No. 923736 and X Jing Fang Quan Zheng Chao Zi No. 923662, which ownership of these eight houses has been obtained legally and effectively. According to the principle of integrating land and house stipulated in the law that “owners or co-owners of the building and other attachments on the ground shall enjoy the land use rights within the scope of occupation of the building and attachments”, and “when the real estate is transferred or mortgaged, the ownership of the house and the land use right within the area occupied by the house are transferred and mortgaged at the same time”, your company is the sole and legal owner of the eight houses. When the eight houses are acquired, the land use rights within the scope of occupation of the houses have been obtained at

the same time. When the eight houses are disposed of, the land use rights within the scope of occupation of the houses shall also be disposed of. Your company enjoys the complete property rights of occupation, use, gains and disposal of the eight houses according to law, and the rights are without defects.

IV. DECLARATION AND UNDERTAKING

1. The facts contained in this legal opinion are sourced from your company's statement before the date of issuance hereof and relevant materials submitted by your company. Your company should guarantee that it has provided our lawyers with all relevant factual materials necessary for the issuance of this legal opinion, and the necessary documents provided are true, legal, valid and complete without any false record, misleading statement or major omission, and that all signatures and seals on the documents are authentic, and all copies or duplicates are exactly the same as the original or the original copy. If, after the issuance of this legal opinion, your company finds there are new evidence materials or new situations in the case, please contact our lawyers in time who will remake the "Legal Opinion" in light of new evidence materials and new processes.
2. The citation of contents in relevant contracts in this legal opinion does not represent any judgment or guarantee by our lawyers on the truthfulness, accuracy and legality of such contents.
3. This legal opinion is issued merely in accordance with and relying on relevant laws and regulations promulgated and in force on the date of issuance of this legal opinion and with reference to departmental rules and other PRC laws, regulations and rules. Our firm cannot guarantee that any laws, regulations and rules which are promulgated and come into force after the issuance of this legal opinion will not have any influence on this legal opinion.
4. Our lawyers have strictly performed their statutory duties and followed the practice principles of diligence, responsibility and integrity. As the issuance of this opinion is based on the materials submitted by your company, we would like to remind your company to strictly examine the truthfulness of these materials.

Beijing Jingsh Law Firm

11 April 2023

In the event of any inconsistencies, the Chinese version of the PRC legal opinion shall prevail over the English text.

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

II. DISCLOSURE OF INTERESTS**Interests of Directors and Chief Executives**

- (a) As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in the Shares

| Name of Director | Nature of interest | Number of Shares | Approximate percentage of shareholding interest |
|-------------------------|---------------------------------------------------|-------------------------|--------------------------------------------------------|
| Ms. Ren Wen | Founder of a discretionary trust ⁽¹⁾ | 602,780,000 (L) | 37.84% |
| | Interest of controlled corporation ⁽²⁾ | 87,761,000 (L) | 5.51% |
| Mr. Song Hongfei | Beneficial owner ⁽³⁾ | 4,715,000 (L) | 0.30% |
| Ms. Hao Bin | Beneficial owner ⁽⁴⁾ | 250,000 (L) | 0.02% |

Remarks: the letter "L" denotes the person's long position in the Shares.

Notes:

1. These 602,780,000 Shares were held by Queen Media Co., Ltd. (“**Queen Media**”). The entire issued share capital of Queen Media was owned by Sky Limited (“**Trust Co**”), whose entire issued share capital was the trust asset of the SKY Trust, which was founded by Ms. Ren Wen as settlor and managed by Credit Suisse Trust Limited as trustee for the SKY Trust, which was a trust established in accordance with the law of Guernsey. The discretionary beneficiaries of the SKY Trust included Ms. Ren Wen and her family members. Accordingly, Ms. Ren Wen was deemed or taken to be interested in all the Shares held by Queen Media for the purpose of the SFO.
2. Out of the 87,761,000 Shares, 64,971,000 Shares were held by Lucky Go Co., Ltd. and 22,790,000 Shares were held by Top Car Co., Ltd. Ms. Ren Wen held 100% equity interest in Lucky Go Co., Ltd. and 43.69% equity interest in Top Car Co., Ltd., respectively, and hence was deemed or taken to be interested in all the Shares held by Lucky Go Co., Ltd. and Top Car Co., Ltd. for the purpose of the SFO.
3. Among the 4,715,000 Shares that Mr. Song Hongfei was interested in, 215,000 Shares were share options granted to him on 23 May 2014 under the share option scheme of the Company with an exercise price of HK\$3.92 per Share.
4. Among the 250,000 Shares that Ms. Hao Bin was interested in, 150,000 Shares were share options granted to her on 29 May 2015 under the share option scheme of the Company with an exercise price of HK\$8.036 per Share.

(ii) Long position in the shares of the associated corporations

| Name of Director | Name of associated corporation | Approximate percentage of shareholding interest |
|------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Ms. Ren Wen | Beijing Wisdom Media Holding Co., Ltd. (北京智美傳媒股份有限公司) (“ Beijing Wisdom Media ”) ⁽¹⁾ | 91.54% |
| | First AI Sports Technology (Shenzhen) Co., Ltd.* ⁽²⁾ (第一智能體育科技(深圳)有限公司) (“ First AI Sports ”) | 100% |
| Mr. Sheng Jie | Beijing Wisdom Media ⁽¹⁾ | 8.46% |

Notes:

1. Beijing Wisdom Media is an indirect subsidiary of the Company controlled through structured contracts. Accordingly, Beijing Wisdom Media is an associated corporation of the Company within the meaning of Part XV of the SFO.
2. A wholly-owned subsidiary of Beijing Wisdom Media.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives of the Company and their respective associates had any personal, family, corporate or other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

- (b) As at the Latest Practicable Date, none of the Directors had a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).
- (c) As at the Latest Practicable Date, none of the Directors had any direct or indirect material interest in any asset which have been, since 31 December 2022 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (d) There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

Substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, according to the register of interest kept by the Company under section 336 of the SFO, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

| Name of substantial shareholder | Nature of interest | Number of Shares | Approximate percentage of shareholding interest |
|----------------------------------------|------------------------------------|----------------------------|--------------------------------------------------------|
| Credit Suisse Trust Limited | Trustee | 602,780,000 ⁽¹⁾ | 37.84% |
| Brock Nominees Limited | Nominee | 602,780,000 ⁽¹⁾ | 37.84% |
| Tenby Nominees Limited | Nominee | 602,780,000 ⁽¹⁾ | 37.84% |
| Trust Co | Interest of controlled corporation | 602,780,000 ⁽¹⁾ | 37.84% |
| Queen Media | Beneficial owner | 602,780,000 ⁽¹⁾ | 37.84% |

Remarks: the letter "L" denotes the person's long position in the Shares.

Note:

1. These 602,780,000 Shares were held by Queen Media. The entire issued share capital of Queen Media was owned by Trust Co, whose entire issued share capital was held as to 50% by Brock Nominees Limited and 50% by Tenby Nominees Limited. The entire issued share capital of Trust Co was the trust asset of the SKY Trust, which was founded by Ms. Ren Wen as settlor and managed by Credit Suisse Trust Limited as trustee for the SKY Trust, which was a trust established in accordance with the law of Guernsey. The discretionary beneficiaries of the SKY Trust included Ms. Ren Wen and her family members.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

III. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined under the Listing Rules) had interests in a business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

IV. EXPERTS' QUALIFICATIONS AND CONSENTS

The followings are the qualifications of the experts who have given opinions or advices which are contained in this circular:

| Name | Qualification |
|-----------------------------------|-----------------------------|
| Avista Valuation Advisory Limited | Independent property valuer |
| Jingsh Law Firm | PRC legal advisor |

Each of the Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter(s), report(s), certificate(s) and/or opinion(s) (as the case may be) and the references to its names included herein in the form and context in which it is respectively included.

Each of the Experts confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

V. LITIGATION

Neither the Company nor its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or its subsidiaries.

VI. MATERIAL CONTRACTS

The Group has entered into the following material contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular which is or may be material:

- (i) the subscription made by Beijing Wisdom Sports Culture Co., Ltd.* (北京智美體育文化有限公司) (“**Beijing Wisdom Sports Culture**”) on 5 July 2021 for a certain portion of an investment fund with RMB50 million, which is managed by Ningbo Guanshi Investment Management Company Limited* (寧波觀石投資管理有限公司) (“**Ningbo Guanshi**”) as the fund manager;
- (ii) the subscription made by Beijing Wisdom Sports Culture on 1 September 2021 for a certain portion of an investment fund with RMB12.5 million, which is managed by Ningbo Guanshi as the fund manager;

- (iii) the sale and purchase agreement dated 8 April 2022 entered into between Wisdom London Limited and Taylor Wimpey UK Limited in relation to acquisition of the leasehold property at Plot 22 Postmark Phase 3 Calrhorpe Street, Rear of Mount Pleasant Sorting office Farringdon Road EC1, London, the United Kingdom for a consideration of GBP1,311,000.00;
- (iv) the trust scheme agreement dated 23 February 2023 entered into by Wisdom Sports Entertainment (Zhejiang) Co., Ltd.* (智美體育文化(浙江)有限公司) and Minmetals International Trust Co., Ltd.* (五礦國際信託有限公司) in relation to an investment in the trust scheme named as Minmetals Trust – Jinxiu Zengli No. 5 Trust Scheme (五礦信託-錦繡增利5期集合資金信託計劃) for a total of RMB10.0 million;
- (v) the trust scheme agreement dated 23 February 2023 entered into by the Vendor and China Fortune International Trust Co., Ltd.* (華鑫國際信託有限公司) in relation to an investment in the trust scheme named China Fortune International Trust – Xinyijia No. 303 Trust Scheme Fourth Unit Trust (華鑫信託.信益嘉303號集合資金信託計劃第四信託單元) for a total of RMB10.0 million; and
- (vi) the Agreement.

VII. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (<http://www.wisdomsports.com.cn>) for a period of 14 days from the date of this circular:

- (a) the property valuation report prepared by Avista Valuation Advisory Limited, the text of which is set out in Appendix II to this circular;
- (b) the legal opinion prepared by Jingsh Law firm, the text of which is set out in Appendix III of this circular;
- (c) the Agreement; and
- (d) the written consent referred to in the paragraph headed "V. Experts' Qualifications and Consents" in this Appendix.

VIII. MISCELLANEOUS

- (a) The registered address of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The headquarters and principal place of business of the Company in the PRC is at 7/F, Block 1, No. 16, Xinyuanli, Chaoyang District, Beijing, the PRC.
- (c) The principal place of business of the Company in Hong Kong is at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong.

- (d) The Hong Kong share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (e) The company secretary of the Company is Ms. Hao Bin, who holds the PRC Certificate of Professional Lawyer (中國境內律師職業資格證書) and the PRC Certificate of Board Secretary of Listed Companies (中國境內上市公司董秘證書).
- (f) In the event of any inconsistencies, the English text of this circular shall prevail over the Chinese text.

NOTICE OF EGM



WISDOM SPORTS GROUP 智美體育集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1661)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Wisdom Sports Group (the “Company”) will be held at Suite 710, 7/F, Block 1, Kunsha Center, No. 16, Xinyuanli, Chaoyang District, Beijing 100027, the PRC on Wednesday, 24 May 2023 at 2:00 p.m. for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 9 May 2023.

1. **“THAT:**

- (a) the sale and purchase agreement dated 11 April 2023 entered into between Beijing Wisdom Media Holding Co., Ltd.* (北京智美傳媒股份有限公司) as the vendor and Beijing Enze Hengyuan Technology Co., Ltd.* (北京恩澤恒遠科技有限公司), Beijing Enze Shengqiang Technology Co., Ltd.* (北京恩澤盛強科技有限公司), Beijing Enze Xingtu Technology Co., Ltd.* (北京恩澤星圖科技有限公司), Beijing Enze Jiaye Technology Co., Ltd.* (北京恩澤嘉業科技有限公司), Beijing Enze Guangyu Technology Co., Ltd.* (北京恩澤廣宇科技有限公司), Beijing Enze Xingchen Technology Co., Ltd.* (北京恩澤星辰科技有限公司), Beijing Enze Qihang Technology Co., Ltd.* (北京恩澤起航科技有限公司) and Beijing Enze Haohan Technology Co., Ltd.* (北京恩澤浩瀚科技有限公司) as the purchasers in relation to the major transaction disposal of properties of the Company, a copy of which has been produced to the EGM marked “A” and initialled by the chairperson of the EGM for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

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- (b) any one of the directors of the Company be and is hereby authorized to do all such acts and things and to execute all such documents for and on behalf of the Company as such director of the Company may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the above agreement.”

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

Hong Kong, 9 May 2023

* *for identification purposes only*

Notes:

1. Any member of the Company entitled to attend and vote at the EGM shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the EGM. A proxy needs not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the office of the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the EGM or any adjournment thereof in cases where the EGM was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. In order to determine the shareholders who will be qualified for attending and voting at the EGM, the register of members of the Company will be closed from Friday, 19 May 2023 to Wednesday, 24 May 2023, both days inclusive. 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 Thursday, 18 May 2023 for registration.

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8. A form of proxy for use at the EGM is enclosed.
9. The EGM is expected to last for two hours. Shareholders in person (or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses.
10. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, 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.