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# WISDOM

**WISDOM SPORTS GROUP**

**智美體育集團**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1661)**

## **DISCLOSEABLE TRANSACTION LOAN AGREEMENT**

The Board is pleased to announce that on 1 November 2019 (after trading hours), Wisdom Zhejiang, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with 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 the Guarantors.

As certain applicable percentage ratios defined under Rule 14.07 of the Listing Rules in respect of the provision of the loan exceed 5% but are less than 25%, the entering into of the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 1 November 2019 (after trading hours), Wisdom Zhejiang, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with 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 the Guarantors.

## **PRINCIPAL TERMS OF THE LOAN AGREEMENT**

Date	:	1 November 2019 (after trading hours)
Parties	:	(1) Wisdom Zhejiang (as lender)  (2) Beijing Allx (as borrower)
Loan amount	:	RMB50,000,000
Term	:	A period of three years from 1 November 2019 to 31 October 2022
Purpose	:	Beijing Allx shall apply the loan toward its day-to-day business development and operations
Interest rate	:	Interest rate of 4.75% per annum
Repayment	:	Beijing Allx shall pay the above-mentioned interest on the loan to Wisdom Zhejiang bi-annually on 31 December 2019, 30 June 2020, 31 December 2020, 30 June 2021, 31 December 2021 and 30 June 2022, respectively  Beijing Allx shall repay the principal amount of the loan and outstanding interest thereon at the end of the term of the loan
Others	:	In the event that Beijing Allx fails to pay any sum payable under the Loan Agreement when due, Wisdom Zhejiang has the right to calculate overdue interest at 200% of the interest rate of the loan on a daily basis from the day following the due date

The Directors have approved the transaction contemplated under the Loan Agreement and confirmed that the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **SECURITY AND GUARANTEE**

As security for the settlement of all amounts, obligations and liabilities due, owing or incurred under the Loan Agreement, the Guarantors agreed to enter into mortgage over the real estate (including commercial and residential properties) legally owned under their respective names and located in Beijing, the PRC in favour of Wisdom Zhejiang.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Group has established long-term and mutually beneficial cooperation with Beijing Allx. Beijing Allx intends to use the proceeds from the loan to expand and develop its business, and continue to consolidate its business foundation in the healthcare industry. The business expansion of Beijing Allx will complement the Group's business strategy and enhance the Group's growth potential in the healthcare industry.

The terms of the Loan Agreement (including the applicable interest rate) are determined by the parties on an arm's length basis after taking into account the prevailing market interest rates and practices. The interest rate of the loan is higher than the interest rate available to the Group for placing cash deposits with commercial banks. The Loan Agreement was entered into by Wisdom Zhejiang having considered (i) the costs of borrowing in providing the loan to Beijing Allx; (ii) the interest income on loan to be received by Wisdom Zhejiang; and (iii) the relevant security. In view of the above, the Directors are of the view that the provision of the loan will bring reasonable interest returns to the Group, and that the terms of the Loan Agreement are on normal commercial terms and the transaction contemplated thereunder is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND WISDOM ZHEJIANG**

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.

Wisdom Zhejiang is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company. Wisdom Zhejiang is principally engaged in the operation, organization and execution of large-scale sports events.

## **INFORMATION ON BEIJING ALLX AND THE GUARANTORS**

Beijing Allx is a company established under the laws of the PRC with limited liability and is principally engaged in the technological development and sales of health food products, functional food products and beverages.

Each of the Guarantors is an individual.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Beijing Allx and its ultimate beneficial owner(s), and the Guarantors and their respective ultimate beneficial owner(s) are Independent Third Parties, which are not connected with the Company and its connected persons.

## IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios defined under Rule 14.07 of the Listing Rules in respect of the provision of the loan exceed 5% but are less than 25%, the entering into of the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

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

“Beijing Allx”	Beijing Allx Health Technology Co., Ltd.* (北京全向時空健康科技有限公司), a company established under the laws of the PRC with limited liability
“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 with stock code 1661
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guarantors”	three individual guarantors, all of which are Independent Third Parties
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	the third parties who are independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 1 November 2019 entered into between Wisdom Zhejiang (as lender) and Beijing Allx (as borrower)

“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Wisdom Zhejiang”	Wisdom Sports Entertainment (Zhejiang) Co., Ltd.* (智美體育文化(浙江)有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 3 November 2019

*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 purposes only*