NEW SPORTS GROUP LIMITED
新體育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 299)

PROFIT WARNING

This announcement is made by New Sports Group Limited (the "**Company**", together with its subsidiaries as the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**"), the CB Holders and potential investors that based on a preliminary review on the unaudited consolidated management account of the Group for the year ended 31 December 2016 and information presently available to the Board, the Group is expected to record a further loss (on a consolidated basis) in the second half of the year 2016 (after recording a loss in the first half of the year 2016), which would result in a significant net loss after tax recorded for the year ended 31 December 2016 as compared to the loss of HK$66,321,000 for the year ended 31 December 2015.

Shareholders, CB Holders and potential investors are advised to read carefully the announcement of the Company in relation to the results of the Group for the year ended 31 December 2016 which is expected to be released on 24 March 2017.

Shareholders, CB holders and potential investors should exercise caution when dealing in the securities of the Company.

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The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**"), CB holders and potential investors that, based on the preliminary review on the unaudited management accounts of the Group and information currently available to the Board, the Group is expected to record a further loss (on a consolidated basis) in the second half of the year 2016 (after recording a loss in the first half of the year 2016), which would result in a significant net loss after tax recorded for the year ended 31 December 2016 as compared to the loss of HK$66,321,000 for the year ended 31 December 2015. The expected loss for the year ended 31 December 2016 is primarily and mainly attributable to the following factors:

(a) the decrease in the revenue as result of the complete cessation of software development business during the year;

(b) further impairment losses on goodwill and other intangible assets;

(c) the increase of finance costs attributable to convertible bonds and short term loan; and

(d) operating and impairment loss attributable to the discontinued operation of P2P financial intermediary services.

The impairment losses as mentioned above is of non-cash in nature and has no impact on the Group's operating cash flow. The Board considers that the Group's financial position remains sound and the Group is capable of financing its operations by its own internal resources.

The information contained in this announcement only represents a preliminary assessment based on the information made available to the Board as at the date hereof and such information or figure has not been reviewed or audited by the auditors of the Company or reviewed by the Audit Committee of the Company and that the actual results for the Group may be different from what is disclosed herein. The Group is still in process of finalizing the final results of the Group for the year ended 31 December 2016.

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By order of the Board
New Sports Group Limited
Zhang Xiaodong
Chairman

Hong Kong, 15 March 2017

As at the date of this announcement, the Company's executive directors are Mr. Zhang Xiaodong and Ms. Xia Lingjie; the non-executive director is Mr. Lau Wan Po; and the independent nonexecutive directors are Mr. Chen Zetong, Ms. He Suying and Dr. Tang Lai Wah.