HK1803

北京體育文化產業集團有限公司
BEIJING SPORTS AND ENTERTAINMENT INDUSTRY GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1803)

PROFIT WARNING

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

The board of directors (the "**Board**") of the Company wishes to inform the shareholders (the "**Shareholders**") and potential investors of the Company that based on a preliminary assessment by the Company's management on the consolidated unaudited management accounts of the Company, it is expected that the Group may record an increase in loss attributable to the owners of the Company for the year ended 31 December 2016 as compared to the loss attributable to the owners of the Company for the corresponding period of 2015. The expected loss for the year ended 31 December 2016 is primary due to the following reasons:–

1. The decrease in turnover and gross profit of the Group as a result of the weak air cargo demand and over-capacity in the air cargo market;

2. The pre-operating expenses and costs incurred for the development of a series of the sports and entertainment businesses in the People's Republic of China; and

3. The recognition of the share-based payment expenses arising from share options granted in April 2016 and in December 2016.

The Company is still in the process of finalising its consolidated results of the Group for the year ended 31 December 2016. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts and information currently available to the Board, which may be subject to adjustments. Shareholders and potential investors of the Company are advised to read the audited consolidated final results of the Group for the year ended 31 December 2016 which will be disclosed in the final results announcement to be published by the Company on 28 March 2017. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Beijing Sports and Entertainment Industry Group Limited
Liu Xue Heng
Chairman

Hong Kong, 21 March 2017

As at the date of this announcement, the executive Directors are Mr. Liu Xue Heng, Mr. Hu Yebi, Mr. Niu Zhongjie, Mr. Zhu Shixing, Mr. Lam Ka Tak, Mr. Zhang Tingzhe and Mr. Tsui Ngai, Eddie; and the independent non-executive Directors are Mr. Tse, Man Kit, Keith, Mr. Lok Lawrence Yuen Ming, Mr. Xin Luo Lin and Mr. Pan Lihui.