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**New Sports Group Limited**  
**新體育集團有限公司**

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

**(Stock Code: 299)**

**COMPLETION OF PLACING OF NEW SHARES  
UNDER SPECIFIC MANDATE  
AND  
SUBSCRIPTION OF NEW SHARES  
UNDER SPECIFIC MANDATE**

**Placing Agent**



**CCB INTERNATIONAL CAPITAL LIMITED**

The Board is pleased to announce that (i) the Placing was completed on 20 March 2018 in accordance with the Placing Agreement in which an aggregate of 1,634,502,485 Placing Shares have been successfully placed to not less than six Places at the Placing Price of HK\$0.50 per Placing Share and (ii) the Subscription was completed on 20 March 2018 in accordance with the Subscription Agreement in which an aggregate of 408,625,621 new Shares have been allotted and issued by the Company to the Subscriber at the Subscription Price of HK\$0.50 per Subscription Share.

Reference is made to the circular of the Company dated 6 February 2018 (the “**Circular**”) in relation to, inter alia, the Placing and the Subscription. Terms used in this announcement shall have the same meanings as defined in the Circular unless otherwise stated.

## THE PLACING

The Board is pleased to announce that the Placing Agreement has become unconditional and the Placing was completed on 20 March 2018. An aggregate of 1,634,502,485 Placing Shares, representing approximately 40.00% of the enlarged issued share capital of the Company immediately after completion of the Placing and the Subscription (the “**Completion**”), have been successfully placed to not less than six Placees who and whose ultimate beneficial owner(s), to the best knowledge of the Directors, are third parties independent of the Company and not connected persons of the Company, at the Placing Price of HK\$0.50 per Placing Share.

Upon Completion, BOOT GAIN INVESTMENTS LIMITED (利贏投資有限公司) (“**Boot Gain**”), a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Ms. Ai Qing, being one of the Placees was placed with a total of 1,074,871,289 Placing Shares, representing approximately 26.30% of the enlarged issued share capital of the Company immediately after Completion. Ms. Ai Qing was a Shareholder before Completion (holding 69,280,450 Shares, representing approximately 3.39% of the issued share capital of the Company immediately before Completion). Upon Completion, Ms. Ai Qing is deemed to be interested in 1,074,871,289 Shares owned by Boot Gain. Therefore, Ms. Ai Qing and her associates are interested in 1,144,151,739 Shares, representing approximately 28.00% of the enlarged issued share capital of the Company immediately after Completion and became a substantial Shareholder (as defined in the Listing Rules).

## THE SUBSCRIPTION

The Board is pleased to announce that all conditions precedent of the Subscription as set out in the Subscription Agreement have been fulfilled and the Subscription was completed on 20 March 2018 in accordance with the Subscription Agreement in which an aggregate of 408,625,621 new Shares have been allotted and issued by the Company to the Subscriber at the Subscription Price of HK\$0.50 per Subscription Share. The Subscriber was a Shareholder before Completion (holding 340,521,351 Shares, representing approximately 16.67% of the issued share capital of the Company immediately before Completion). The Subscriber is interested in 749,146,972 Shares, representing approximately 18.33% of the enlarged issued share capital of the Company immediately after Completion.

## THE USE OF PROCEEDS

The net proceeds from the Placing of approximately HK\$813 million and the Subscription of approximately HK\$203 million after deducting the related expenses are estimated to be approximately HK\$1,016 million, which will be allocated as follows:

- (i) approximately HK\$713 million (from the proceeds of the Placing) for the settlement of the outstanding consideration for the Acquisition on or before 30 March 2018;
- (ii) approximately HK\$146 million (HK\$100 million from the proceeds of the Placing and HK\$46 million from the proceeds of the Subscription) for the repayment of the Corporate Bonds together with the accrued interests which will be due on 14 June 2018;
- (iii) approximately HK\$76 million (from the proceeds of the Subscription) for the repayment of the principal of the Loan together with the last installment of interests which will be due on 13 June 2018;
- (iv) approximately HK\$38 million for the general working capital (comprising salary, marketing expenses, administration expenses, etc.) for the development of sports stadium operations and the related training business;
- (v) approximately HK\$18 million for the general working capital (comprising salary, marketing expenses, administration expenses, etc.) for the property development business in Chaoshan and Changchun; and
- (vi) approximately HK\$25 million for the general working capital in Hong Kong (comprising salary, rental, professional expenses, administration expenses, etc.).

## SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after Completion:

Name of Shareholder	Immediately before Completion		Immediately after Completion	
	No. of Shares	%	No. of Shares	%
Origin Development Limited (Note 1)	392,000,000	19.19	392,000,000	9.59
Mr. Zhang Xiaodong (Note 2)	138,175,000	6.76	138,175,000	3.38
The Subscriber (Note 3)	340,521,351	16.67	749,146,972	18.33
Ms. Ai Qing and her associates (Note 4)	69,280,450	3.39	1,144,151,739	28.00
<b>Public Shareholders</b>				
Placees (excluding Boot Gain)	—	—	559,631,196	13.70
Other public Shareholders				
	<u>1,103,151,305</u>	<u>53.99</u>	<u>1,103,151,305</u>	<u>27.00</u>
<b>Total</b>	<u><u>2,043,128,106</u></u>	<u><u>100.00</u></u>	<u><u>4,086,256,212</u></u>	<u><u>100.00</u></u>

Notes:

1. *Origin Development Limited is a company wholly owned by Mr. Zheng Kanghao. Accordingly, Mr. Zheng Kanghao is deemed to be interested in 392,000,000 Shares.*
2. *Amuse Peace Limited holds 137,500,000 Shares. Amuse Peace Limited is a company wholly and beneficially owned by Mr. Zhang Xiaodong, the Chairman, Chief Executive Officer and an executive Director. Mr. Zhang Xiaodong is deemed to be interested in 137,500,000 Shares owned by Amuse Peace Limited.*
3. *The Subscriber was a Shareholder before Completion (holding approximately 16.67% of the issued share capital of the Company immediately before Completion), Upon Completion, the Subscriber is interested in an aggregate of 749,146,972 Shares, representing approximately 18.33% of the enlarged issued share capital of the Company immediately after Completion.*
4. *Ms. Ai Qing, the ultimate beneficial owner of Boot Gain, was a Shareholder before Completion (holding 69,280,450 Shares, representing approximately 3.39% of the issued share capital of the Company immediately before Completion). Upon Completion, Ms. Ai Qing is deemed to be interested in 1,074,871,289 Shares owned by Boot Gain. Therefore, Ms. Ai Qing and her associates are interested in an aggregate of 1,144,151,739 Shares, representing approximately 28.00% of the enlarged issued share capital of the Company immediately after Completion and became a substantial Shareholder (as defined in the Listing Rules).*

The Directors confirm that the Shares held in the hands of the public immediately after Completion will be not less than 25% of the enlarged issued share capital of the Company.

By Order of the Board of  
**News Sports Group Limited**  
**Zhang Xiaodong**  
*Chairman*

Hong Kong, 20 March 2018

*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 non-executive directors are Mr. Chen Zetong, Ms. He Suying and Dr. Tang Lai Wah.*

*In case of inconsistency, the English text of this announcement shall prevail over the Chinese Text.*