New Sports Group Limited
新體育集團有限公司
(Incorporated in Cayman Islands with limited liability)
(Stock Code: 299)

INSIDE INFORMATION AND 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 in 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**") and potential investors that, based on a preliminary review and assessment of the information most currently available to the Board, including the unaudited consolidated management accounts of the Group for the year ended 31 December 2017, the Group is expected to record a decline of net profit for the year ended 31 December 2017 as compared to that of the six months period ended 30 June 2017 (the "**Relevant Period**").

Shareholders and potential investors are advised to refer to the details of the financial information to be disclosed in the Company's announcement of the 2017 Final Results (as hereinafter defined), which is expected to be published on Friday, 23 March 2018.

Shareholders and potential investors are advised to 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**") and potential investors that, based on a preliminary review and assessment of the information most currently available to the Board, including the unaudited consolidated management accounts of the Group for the year ended 31 December 2017 which have not yet been reviewed, confirmed or audited by the Company's external auditors, the Group is expected to record a decline of net profit for the year ended 31 December 2017 as compared to that of the six months period ended 30 June 2017 (the "**Relevant Period**"). Meanwhile, the Group has recorded a net loss of approximately HK$920,171,000 for the year ended 31 December 2016.

Based on the information most currently available to the Company, it is expected that the net profit after tax of the Group for the whole year of 2017 will be decreased by approximately 40% as compared to that of the Relevant Period. Other than the recognized loss on impairment on goodwill and other intangible assets in relation to the existing operating business affecting the Group, the relevant reduction in the net profit were attributable to the drop in the unrealized gain on the investment in Hong Kong listed securities and most significantly the drop in the recorded fair value gain on contingent consideration payable, the latter of which has been based on the latest draft result of valuation performed by the independent valuer for adopting the valuation date of 31 December 2017.

The Company is still in the process of finalising the consolidated financial results of the Group for the year ended 31 December 2017 (the "**2017 Final Results**"). The information contained in this announcement is only a preliminary assessment made by the Board with reference to the information most currently available including the Group's unaudited consolidated management accounts, and such information or figures have not been reviewed, audited or confirmed by the external auditors nor approved by the audit committee of the Company and may be subject to adjustments or amendments. Shareholders and potential investors are advised to refer to the details of the financial information to be disclosed in the Company's announcement of the 2017 Final Results, which is expected to be published on Friday, 23 March 2018 where the related annual report of the Company for the year ended 31 December 2017 will be published thereafter.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 21 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 nonexecutive 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.