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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)**

### **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 wishes to inform the Shareholders, the CB Holders and potential investors that the Impairment Assessment was carried out for the goodwill of Key Rich Corporation Limited and other intangible assets of Heroic Coronet Limited. According to the results of the Impairment Assessment, the Board is of the opinion that an additional impairment provision of approximately HK\$176,455,000 will be made in the financial report of Group for the Reporting Period. Therefore, the impairment provision is likely to have a further impact on the loss of the Group for the Reporting Period.

The Board wishes to emphasize that the possible impairment loss is a non-cash accounting treatment in accordance with Hong Kong Financial Reporting Standards and it has no effect on the cash flow for the Group’s operation.

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 six months ended 30 June 2016 which is expected to be released in August 2016.

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

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Reference is made to the inside information announcement of the Company dated 26 July, 2016 (the "**Announcement**"). As disclosed in the Announcement, the loss for the Reporting Period excluding the results of the Impairment Assessment of the Company is HK\$58,121,000 while the loss for the Reporting Period excluding the results of the Impairment Assessment and Fair Value Adjustment of the Company is HK\$77,621,000. It was further disclosed in the Announcement that the Company was in the course of carrying out the Impairment Assessment. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to further inform the Shareholders, the CB Holders and potential investors that the Impairment Assessment was carried out for the goodwill of Key Rich Corporation Limited and other intangible assets of Heroic Coronet Limited. According to the results of the Impairment Assessment, the Board is of the opinion that an additional impairment provision of approximately HK\$176,455,000 will be made in the financial report of Group for the Reporting Period. Therefore, the impairment provision is likely to have a further impact on the loss of the Group for the Reporting Period.

The Board wishes to emphasize that the possible impairment loss is a non-cash accounting treatment in accordance with Hong Kong Financial Reporting Standards and it has no effect on the cash flow for the Group's operation.

As the Company is still in the process of finalizing the consolidated results of the Group for the Reporting Period, the information contained in this announcement is only based on preliminary review and assessment by the Board of the consolidated management accounts of the Group and other information currently available, which have not been reviewed or audited by the Company's auditors. Detailed financial information of the Group will be disclosed as and when the results of the Group for the Reporting Period are announced.

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 six months ended 30 June 2016 which is expected to be released in August 2016.

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

Hong Kong, 19 August 2016

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