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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)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE SET UP OF A JOINT VENTURE

This announcement is made by New Sports Group Limited (the “**Company**”) 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 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 is pleased to announce that on 21 February 2017 (after trading hours), Shenzhen Baoxin Sport Industry Limited* (深圳寶新體育產業有限公司) (“**Baoxin**”), an indirectly wholly-owned subsidiary of the Company and Mr. Huang Xintao (黃新濤) (“**Mr Huang**”) entered into a non-legally binding memorandum of understanding (the “**MOU**”) (save for provisions relating to such as confidentiality and governing laws), pursuant to which Baoxin and Mr. Huang proposed to establish a joint venture company (the “**JV Company**”), the equity interest of which is proposed to be held as to 75% by Baoxin and 25% by Mr. Huang. Subject to the signing of a definitive agreement regarding the set up of the JV Company, it is proposed that, upon the establishment of the JV Company and the capital having been contributed to the JV Company as registered capital, the JV Company will acquire 68% equity interests in Shenzhen Feifan Concept Culture Development Company Limited* (深圳市非凡理念文化發展有限公司) (“**Feifan**”) from Mr. Huang. Feifan, through its non wholly-owned subsidiary Shenzhen Buji Wenti Centre Operation Management Company Limited* (深圳市布吉文體中心運營管理有限公司) (“**Buji Wenti**”), is currently developing the Shenzhen Longgang District Buji Cultural Centre BTO Project (深圳市龍崗區布吉文體中心BTO項目), the completion of which will entitle Buji Wenti a 30-year operation right to the venue of the Shenzhen Longgang District Buji Cultural Centre (save and except the library and the cultural hub), which includes a cinema, a theatre, book stores, a stadium, a cultural exhibition centre, an art centre and workshops.

To the best of knowledge, information and belief of the directors of the Company and having made all reasonable enquiries, Mr Huang is a third party independent of the Company and its connected person.

As at the date of this announcement, no definitive or legally binding joint venture agreement in relation to the set up of the JV Company has been entered into by Baoxin and Mr. Huang. The set up of the JV Company, if materializes, may constitute a notifiable transaction for the Company under the Listing Rules. The Company will comply with the applicable requirements under the Listing Rules accordingly and make further announcement(s) in this regard as and when appropriate.

As the set up of the JV Company may or may not proceed, shareholders of the Company 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 February, 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 non-executive directors are Mr. Chen Zetong, Ms. He Suying and Dr. Tang Lai Wah.

**Translation of Chinese name for identification purpose only*