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ASR LOGISTICS HOLDINGS LIMITED

瀚洋物流控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1803)

**PROPOSED SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

SUMMARY

The Board is pleased to announce that on 5 February 2016 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 30,370,000 Subscription Shares at the Subscription Price of HK\$0.65 per Share pursuant to the terms and conditions of the Subscription Agreement.

The Subscription Shares represent (i) approximately 3.24% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.14% of the total issued share capital of the Company as enlarged by the Subscription Shares.

The Subscription is conditional upon, among other things, the Stock Exchange granting a listing of and permission to deal in the Subscription Shares on the Stock Exchange.

The gross proceeds from the Subscription will be HK\$19,740,500. The net proceeds, after deducting all the relevant costs and expenses, will be approximately HK\$19,700,000, representing a net subscription price of approximately HK\$0.649 per Share. The Company intends to use the net proceeds from the Subscription for general working capital and for future potential acquisitions and/or other investment opportunities.

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM. Accordingly, the allotment and issue of the Subscription Shares are not subject to any additional Shareholders' approval.

Completion of the Subscription is subject to fulfillment of certain conditions and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

I. THE SUBSCRIPTION AGREEMENT

Date

5 February 2016 (after trading hours)

Parties

- (i) the Company; and
- (ii) About Capital Management (HK) Co., Limited which subscribes the Subscription Shares for and on behalf of Haitong-AC Asian Special Opportunities Master Fund, the Subscriber

Subscriber

Subject to the conditions set out in the paragraph headed "Conditions of the Subscription" below being fulfilled in accordance with the terms of the Subscription Agreement, the Subscription Shares will be allotted and issued to the Subscriber.

The subscriber is an asset management company incorporated in Hong Kong and being an investment advisor to Haitong-AC Asian Special Opportunities Master Fund, which is a discretionary fund registered in the Cayman Islands, subscribes the Subscription Shares for and on behalf of the fund.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber and the ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Number of Subscription Shares

The Subscription Shares represent (i) 3.24% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.14% of the issued share capital of the Company as enlarged by the Subscription Shares. The aggregate nominal value of the Subscription Shares under the Subscription will be HK\$151,850.

Subscription Price

The Subscription Price of HK\$0.65 per Subscription Share represents:

- (i) a discount of approximately 4.41% to the closing price of HK\$0.68 per Share as quoted on the Stock Exchange on 4 February 2016, being the last trading day immediately prior to the date of the Subscription Agreement; and
- (ii) a discount of approximately 6.88% to the average closing price of the Shares of approximately HK\$0.698 per Share as quoted on the Stock Exchange from 29 January 2016 to 4 February 2016, both dates inclusive, being the last five trading days immediately prior to the date of this announcement.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscriber and was determined with reference to prevailing market price of the Shares; the low trading volume of the Shares; the continued sluggish global demand for air freight services; and the net loss position of the Group. The Directors consider that the Subscription Agreement is on normal commercial terms and is fair and reasonable based on the current market conditions and is in the interests of the Company and its Shareholders as a whole.

Rights and Ranking of the Subscription Shares

The Subscription Shares, when issued and credited as fully paid, will rank *pari passu* in all respects with all other Shares in issue on the date of allotment and issue of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is subject to fulfilment by the Company and the Subscriber (as the case may be) of the following conditions to the satisfaction of, or waiver in writing thereof by, the Subscriber or the Company (as the case may be):

- A. the listing of, and permission to deal in, all the Subscription Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally or subject to conditions which are acceptable to both the Company and the Subscriber) and such listing and permission not subsequently being revoked prior to and on the Completion Date;
- B. the Shares remaining listed on the Stock Exchange at all times prior to the Completion Date, save as suspension on account of clearance of any announcement, circular and related documents in respect of any of the transaction contemplated thereunder, and no indication being received or is threatened to be received on or before the Completion Date from the SFC or the Stock Exchange to the effect that the continued listing of the Shares on the Stock Exchange will or may be withdrawn or objected to;
- C. all consents and approval of any relevant governmental authority in Hong Kong and other relevant jurisdiction which are necessary for the entering into and implementation of the Subscription Agreement and the transaction contemplated thereunder having been obtained;

- D. there not having been, at any time before the Completion Date:
- i. any material adverse change as stipulated under the Subscription Agreement which is material in the context of the Subscription; and
 - ii. the occurrence of any event or the existence of any circumstance which would render any of the representations and warranties in the Subscription Agreement untrue or inaccurate or misleading in any respect.

None of the conditions above has been fulfilled as at the date of this announcement.

The Company shall use all reasonable efforts to procure the above conditions to be fulfilled at or before 8:00 a.m. (Hong Kong time) on 29 February 2016. If the above conditions are not satisfied at or before 8:00 a.m. (Hong Kong time) on 29 February 2016 or such later time and/or date as the Company and the Subscriber may agree, the obligations and liabilities of the Subscriber and the Company under the Subscription Agreement shall be null and void and none of the Company or the Subscriber shall have any claim against the other party for costs, damages, compensation or otherwise, except for any antecedent breach of any obligation under the Subscription Agreement.

Completion

Completion shall take place on the tenth Business Day after the date upon which all of the conditions precedent of the Subscription Agreement have been fulfilled or waived (the “**Completion Date**”). On the Completion Date, among other things, (i) the Subscriber will pay, or procure the payment of, the aggregate Subscription Price to the Company; and (ii) the Company shall allot and issue the respective Subscription Shares to the Subscriber and/or its nominee.

Termination

The Subscriber shall be entitled to elect to either proceed to completion of the Subscription Agreement or terminate the Subscription Agreement at any time prior to 5:00 p.m. (Hong Kong time) on any Business Day prior to the Completion Date upon the occurrence of the following events:

- A. there develops, occurs or comes into force:
 - (i) any introduction of new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Subscriber has or is likely to have a material adverse effect on the business or financial condition or prospects of the Group as a whole; or
 - (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the reasonable opinion of the Subscriber would materially and adversely affect the success of the Subscription; or
 - (iii) any significant change (whether or not permanent) in local, national or international market conditions which in the reasonable opinion of the Subscriber would materially and adversely affect the success of the Subscription; or
 - (iv) any significant change (whether or not permanent) on the Company or any member of the Group.

- B. any breach of any of the representations, warranties and undertakings of the Company set out in the Subscription Agreement and its schedules comes to the knowledge of the Subscriber or there has been a material breach by the Company of any other provision of the Subscription Agreement; or

- C. any significant change in the business or in the financial or trading position of the Company or any member of the Group, which in the reasonable opinion of the Subscriber is material in the context of the Subscription.

then and in any such case, the Subscriber may terminate the Subscription Agreement without liability to the Company.

In the event that the Subscriber terminates the Subscription Agreement pursuant to the provisions in the Subscription Agreement, all the respective further (but not accrued) rights and obligations of the Subscriber and the Company under the Subscription Agreement shall cease immediately, save and except certain clauses in the Subscription Agreement, and certain clauses (such as provisions on confidentiality) will survive the termination of the Subscription Agreement.

General mandate to issue the Subscription Shares

The Subscription Shares will be issued pursuant to the General Mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the AGM, which authorized the Directors to allot and issue up to 161,372,000 Shares (representing 20% of the issued share capital of the Company as at the date of the AGM). As a total number of 131,000,000 Shares under the General Mandate has been utilized to settle the purchase of a property (please refer to the announcement of the Company dated 8 November 2015 and the circular of the Company dated 9 December 2015 for the details of the transaction), the outstanding Shares under the General Mandate that the Directors still can allot and issue is 30,372,000 Shares immediately before entering into the Subscription Agreement and as at the date of this announcement. Accordingly, the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement are not subject to any additional Shareholders' approval.

II. FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

III. EFFECT OF THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and immediately after the Subscription (assuming that no other Shares are issued or repurchased before completion of the Subscription Agreement) is summarised as follows:

Shareholders	As at the date of this announcement		Upon completion of the Subscription	
	Shares	Approximate %	Shares	Approximate %
Hollyview International Limited <i>(Note 1)</i>	147,810,000	15.76	147,810,000	15.27
Mass Talent Financial Limited <i>(Note 2)</i>	104,800,000	11.17	104,800,000	10.82
Beijing Enterprises Medical and Health Industry Group Limited	231,000,000	24.63	231,000,000	23.86
Mr. Sang Kangqiao	84,116,250	8.97	84,116,250	8.69
Subscriber	–	–	30,370,000	3.14
Public Shareholders	370,133,750	39.47	370,133,750	38.23
	937,860,000	100.00	968,230,000	100.00
	<u> </u>	<u> </u>	<u> </u>	<u> </u> <i>(Note 3)</i>

Notes:

- Hollyview International Limited is beneficially owned as to 100% by Mr. Hu Yebi, an executive Director and Chairman of the Company.
- Mass Talent Financial Limited is beneficially owned as to 100% by Mr. Niu Zhongjie, an executive Director and the chief executive officer of the Company.
- The percentages of the Shares are rounded to the nearest two decimal places, and the total number of the percentages may not add up to 100% due to rounding.

The Company has no other outstanding securities other than the 937,860,000 Shares issued as at the date of this announcement.

IV. REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the provision of air freight service in the wholesale market and investments in sports industry in the PRC.

The gross proceeds from the Subscription will be HK\$19,740,500. The net proceeds, after deducting all relevant costs and expenses, will be approximately HK\$19,700,000, representing a net subscription price of approximately HK\$0.649 per Share. The Company intends to use the net proceeds from the Subscription for general working capital and for future potential acquisitions and/or other investment opportunities. As disclosed in the announcement of the Company dated 19 November 2015, the Group intends to explore business opportunities by entering sport-related industry in the PRC. The proceeds from the Subscription can financially support this business venture.

Furthermore, the Directors consider that the Subscription present an opportunity for the Company to raise a substantial amount of funds from the equity market while broadening the Shareholder and capital base.

The Directors consider that the terms of the Subscription Agreement, including the Subscription Price are fair and reasonable based on current market conditions. Accordingly, the Board consider that the Subscription is in the interests of the Company and the Shareholders as a whole.

V. APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the grant of listing of and permission to deal in the Subscription Shares on the Stock Exchange.

Completion of the Subscription is subject to fulfilment of certain conditions and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

VI. DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 2 June 2015 at which, among other things, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday and any other public holidays and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong
“Company”	ASR Logistics Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM, authorizing the Directors to allot and issue Shares up to 20% of the issued share capital of the Company as at the date of the AGM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	About Capital Management (HK) Co., Limited which is incorporated in Hong Kong and principally engaged in the assets management business
“Subscription”	the subscription of the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated 5 February 2016 in relation to the Subscription
“Subscription Price”	HK\$0.65 per Subscription Share

“Subscription Shares” a total of 30,370,000 new Shares to be subscribed for by the Subscriber under the Subscription Agreement

“trading day” has the meaning ascribed to it in the Listing Rules

By order of the Board
ASR Logistics Holdings Limited
Hu Yebi
Chairman

Hong Kong, 5 February 2016

As at the date of this announcement, the executive Directors are Mr. Hu Yebi, Mr. Niu Zhongjie, Mr. Zhu Shixing, Mr. Liu Xue Heng, Mr. Lam Ka Tak, Mr. Zhang Tingzhe and Ms. Leung Pui Man 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.