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HK1803

北京體育文化產業集團有限公司
BEIJING SPORTS AND ENTERTAINMENT INDUSTRY GROUP LIMITED

(formerly known as ASR Logistics Holdings Limited)

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1803)

DISCLOSEABLE TRANSACTION IN RELATION TO THE FORMATION OF JOINT VENTURE COMPANY

The Board is pleased to announce that on 29 July 2016 (after trading hours), Zhong Hu Yuedong, an indirect wholly-owned subsidiary of the Company entered into the JV Agreement with Beijing Zhongying in respect of the formation of the JV Company.

The JV Company will be principally engaged in the operation of movie theatres in the third and fourth tier cities in the PRC.

Under the JV Agreement, the parties agreed that, the JV Company shall be established and shall be held as to 65% by Zhong Hu Yuedong and 35% by Beijing Zhongying. The JV Company shall have a registered capital of RMB20,000,000 (equivalent to approximately HK\$23,200,000), which shall be contributed by Zhong Hu Yuedong and Beijing Zhongying as to RMB13,000,000 in cash (equivalent to approximately HK\$15,080,000) and RMB7,000,000 in cash (equivalent to approximately HK\$8,120,000) respectively.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the JV Agreement in aggregate are more than 5% but less than 25%, the entering into of the JV Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempted from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

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THE JV AGREEMENT

Date: 29 July 2016

Parties: (1) Zhong Hu Yuedong
(2) Beijing Zhongying

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Beijing Zhongying and its ultimate beneficial owner(s) are Independent Third Parties. The JV Agreement is legally binding to both parties of the JV Agreement.

Business Objective of the JV Company

The JV Company will be principally engaged in the operation of movie theatres in the third and fourth tier cities in the PRC.

Shareholding Structure and Capital Contribution

Under the JV Agreement, the parties agreed that, the JV Company shall be established and shall be held as to 65% by Zhong Hu Yuedong and 35% by Beijing Zhongying. The JV Company shall have a registered capital of RMB20,000,000 (equivalent to approximately HK\$23,200,000), which shall be contributed by Zhong Hu Yuedong and Beijing Zhongying as to RMB13,000,000 in cash (equivalent to approximately HK\$15,080,000) and RMB7,000,000 in cash (equivalent to approximately HK\$8,120,000) respectively.

The amount of capital contributions was determined after arm's length negotiation between the parties to the JV Agreement with reference to the initial capital requirement of the JV Company and the capital contribution intentions of the parties. Zhong Hu Yuedong' capital investment of RMB13,000,000 will be funded by the internal generated resources of the Group.

Terms of the JV Company

The term of the JV Company is 30 years, starting from the issue date of the business registration.

An observation period for three months after the operation of the first theatre is mutually agreed by both parties. Before the expiration of the observation period, Zhong Hu Yuedong has the right to terminate the JV Agreement on any objection; and Beijing Zhongying will unconditionally repurchase the shareholding interest held by Zhong Hu Yuedong at a consideration of RMB13,000,000.

Non-competition Undertaking

Both parties agreed not to involve into any business which is the same or as similar to and competing with that of the JV Company.

REASONS FOR THE FORMATION OF THE JV COMPANY

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of air freight services in the wholesale market and investments in the sports and entertainment related industry in the PRC. The Board holds the view that, as the number of movie theatres in the first and second tier cities such as Beijing, Shanghai, Guangzhou, and Shenzhen are either closed to saturated or the competitions are keen, the business opportunities of launching more movie theatres in the third and fourth tier cities in the PRC have a very good prospect and benefit the Shareholders by increasing the revenue base of the Group.

The Board believes that the entering into of the JV Agreement is in line with the business of the Group and is in the interests of the Company and Shareholders as a whole.

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INFORMATION OF THE GROUP AND PARTIES TO THE JV AGREEMENT

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of air freight services in the wholesale market and investments in the sports and entertainment related industry in the PRC.

Zhong Hu Yuedong is an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability and was established to principally engage in cultural, artistic, entertainment and media businesses in the PRC.

Beijing Zhongying is a company incorporated in the PRC with limited liability and is principally engaged in the development, design and management of movie theatres in the PRC.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Beijing Zhongying”	Beijing Zhongying Shengjia Cinema Development Limited* (北京中映晟嘉影院發展有限公司), a company incorporated in the PRC with limited liability
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“Board”	the board of Directors
“Company”	Beijing Sports and Entertainment Industry Group Limited, a company incorporated in the Cayman Islands, whose Shares are listed on the Main Board (stock code: 1803)
“Connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its Connected Persons
“JV Agreement”	the joint venture agreement dated 29 July 2016 entered into between Zhong Hu Yuedong and Beijing Zhongying in relation to the establishment of the JV Company
“JV Company”	a limited liability company to be established under the JV Agreement and to be incorporated under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhong Hu Yuedong”	Zhong Hu Yuedong Culture Media (Beijing) Limited* (中互悅動文化傳媒(北京)有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“%”	per cent.

By order of the Board
Beijing Sports and Entertainment Industry Group Limited
Liu Xue Heng
Chairman

Hong Kong, 29 July 2016

As at the date of this announcement, the executive Directors are Mr. Liu Xue Heng, Mr. Hu Yebi, Mr. Niu Zhongjie, Mr. Zhu Shixing, Mr. Lam Ka Tak, Mr. Zhang Tingzhe and Mr. Tsui Ngai, Eddie; 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.

* *For identification purpose only*

The exchange rate adopted in this announcement for illustration purposes only is RMB1 = HKD 1.16.