ASR Holdings Limited
瀚洋控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1803)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

The Board is pleased to announce the consolidated interim results of the Group for the six months ended 30 June 2012 (the "**Period**"), which have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The 2012 consolidated interim results of the Group are unaudited, but have been reviewed by the audit committee (the "**Audit Committee**") of the Company and approved by the Board on 24 August 2012.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2012

		Six months ended 30 June	
		2012	2011
		(Unaudited)	*(Audited)*
	Note	***HK$'000***	*HK$'000*
Revenue	5	**312,339**	294,943
Cost of sales		**(224,178)**	(198,566)
Gross profit		**88,161**	96,377
Other (losses)/gains, net		**(735)**	1,959
Other income		**147**	119
Administrative expenses		**(35,786)**	(27,950)
Operating profit	5	**51,787**	70,505
Finance income		**254**	155
Finance costs		**(2)**	(140)
Finance income, net		**252**	15
Profit before income tax		**52,039**	70,520
Income tax expense	6	**(7,571)**	(10,117)
Profit for the period		**44,468**	60,403
Other comprehensive income			
(Decrease)/increase in fair value of available-for-sale financial assets		**(34)**	71
Currency translation differences		**301**	438
Total comprehensive income for the period		**44,735**	60,912

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Note	Six months ended 30 June 2012 (Unaudited) HK$'000	2011 (Audited) HK$'000
Profit attributable to:			
- Equity holders of the Company		**44,343**	59,351
- Non-controlling interests		**125**	1,052
		44,468	60,403
Total comprehensive income attributable to:			
- Equity holders of the Company		**44,610**	59,860
- Non-controlling interests		**125**	1,052
		44,735	60,912
Earnings per share for profit attributable to:			
- Equity holders of the Company		*HK cents*	*HK cents*
Basic and diluted	7	**11.32**	N/A
		HK$'000	*HK$'000*
Dividends	8	**13,200**	100,536

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE 2012

	Note	**30 June 2012** *(Unaudited)* *HK$'000*	31 December 2011 *(Audited)* *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,803**	7,457
Goodwill		**557**	—
Available-for-sale financial assets		**—**	7,207
Long-term deposits		**317**	1,006
Deferred income tax assets		**1,275**	810
		9,952	16,480
Current assets			
Trade receivables	9	**99,358**	71,600
Prepayments, deposits and other receivables		**10,051**	10,923
Financial assets at fair value through profit or loss		**—**	1,027
Pledged deposits		**21,024**	21,022
Cash and cash equivalents		**188,148**	93,560
		318,581	198,132
Total assets		**328,533**	214,612
EQUITY			
Share capital	11	**4,000**	100
Share premium	11	**72,577**	—
Other reserves		**9,449**	8,924
Retained earnings		**120,790**	103,905
		206,816	112,929
Non-controlling interests		**3,033**	2,908
Total equity		**209,849**	115,837

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2012

	Note	**30 June 2012**	31 December 2011
		(Unaudited)	*(Audited)*
	Note	***HK$'000***	*HK$'000*
LIABILITIES			
Non-current liabilities			
Finance lease liabilities		**11**	14
Deferred income tax liabilities		**923**	448
		934	462
Current liabilities			
Trade payables	10	**56,554**	60,556
Other payables and accruals		**11,786**	17,029
Dividend payable		**27,200**	—
Finance lease liabilities		**6**	6
Current income tax liabilities		**22,204**	20,722
		117,750	98,313
Total liabilities		**118,684**	98,775
Total equity and liabilities		**328,533**	214,612
Net current assets		**200,831**	99,819
Total assets less current liabilities		**210,783**	116,299

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 **General information of the Group**

The Company was incorporated in the Cayman Islands on 28 June 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is 3rd Floor, Queensgate House, 113 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of air freight service in the wholesale market.

Pursuant to a group reorganisation, which was completed on 3 December 2011 (the "Regorgansation"), the Company became the holding company of the subsidiaries now comprising the Group. Prior to the completion of the Reorganisation, the business of the Group was carried out by companies now comprising the Group collectively controlled by Mr. Yu Ho Yuen, Sunny, Mr. Mak Chi Hung, Richard and Mr. Law Kai Lo, Niki, (together, the "Controlling Shareholders"), who have been the ultimate beneficiary equity holders of the Group before and after the completion of the Reorganisation.

On 30 December 2011, the Company issued a prospectus (the "Prospectus") and launched a public offering of 100,000,000 shares offered at an offer price of HK$0.93 per share (the "Offer Price") and the capitalisation of 290,000,000 shares ("Capitalisation Issue"). The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 January 2012.

This condensed consolidated interim financial information are presented in Hong Kong Dollars (HK$) unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 24 August 2012.

These condensed consolidated interim financial statements have not been audited.

2 **Basis of preparation**

These condensed consolidated interim financial statements for the six months ended 30 June 2012 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") No. 34, 'Interim financial reporting' issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 **Accounting policies**

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Revisions and amendments to existing Standards and interpretation effective in 2012 but have no significant impacts or are not relevant to the Group.

The following revised standard and amendment to standard are mandatory for the first time for the financial year beginning 1 January 2012.

- HKFRS 7 (Amendment) "Disclosures — Transfers of financial assets"
- HKFRS 1 (Amendment) "Severe hyperinflation and removal of fixed dates for first-time adopters"
- HKAS 12 (Amendment) "Deferred tax: Recovery of underlying assets"

(ii) New Standards, amendments to existing Standards and interpretation have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted by the Group

		Effective for annual periods beginning on or after
Amendments to HKAS 1 (Revised)	Presentation of financial statements	1 July 2012
HKAS 19 (2011)	Employee benefits	1 January 2013
HKAS 27 (2011)	Separate financial statements	1 January 2013
HKAS 28 (2011)	Investments in associates and joint ventures	1 January 2013
Amendments to HKAS 32	Financial instruments: Presentation — Offsetting financial assets and financial liabilities	1 January 2014
Amendments to HKFRS 7	Financial instruments: Disclosures — Offsetting financial assets and financial liabilities	1 January 2013
Amendments to HKFRS 7 and HKFRS 9	Mandatory effective date and transaction disclosures	1 January 2015
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKFRS 13	Fair value measurement	1 January 2013
HK(IFRIC)-Int 20	Stripping costs in the production phase of a surface mine	1 January 2013
Fourth improvements to HKFRS (2011)		1 January 2013

The Group is assessing the impact of these standards, amendments and interpretation. The Group will apply these standards, amendments and interpretation when they are effective in the respective annual periods.

4 **Estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011, with the exception of changes in estimates that are required in determining the provision for income taxes.

5 **Sales and segment information**

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of air freight service in the wholesale market.

The chief operating decision-makers have been identified as the Executive Directors. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Directors assess the performance of the business from a geographical perspective, i.e. by destinations of air freight service. The information provided to the Executive Committee is measured in a manner consistent with that in the condensed consolidated interim financial information.

The segment information provided to the Executive Directors for the reportable segments for the six months ended 30 June 2012 is as follows:

	Europe *HK$'000*	**America** *HK$'000*	**Asia-Pacific** *HK$'000*	**Africa** *HK$'000*	**Total** *HK$'000*
Sales to external customers	79,355	32,157	163,755	37,072	312,339
Cost of sales	(73,300)	(30,436)	(88,622)	(31,820)	(224,178)
Segment results	3,855	1,095	47,830	3,344	56,124
Unallocated expenses, net					(3,287)
Depreciation					(1,050)
Operating profit					51,787
Finance income, net					252
Profit before income tax					52,039
Income tax expense					(7,571)
Profit for the period					44,468

Revenue of approximately HK$312,166,000 and HK$173,000 were derived from air freight and sea freight respectively.

The segment information provided to the Executive Directors for the reportable segments for the six months ended 30 June 2011 is as follows:

	Europe	America	Asia-Pacific	Africa	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Sales to external customers	66,944	22,732	173,534	31,733	294,943
Cost of sales	(59,423)	(20,750)	(89,671)	(28,722)	(198,566)
Segment results	5,743	1,514	64,036	2,297	73,590
Unallocated expenses, net					(2,415)
Depreciation					(670)
Operating profit					70,505
Finance income, net					15
Profit before income tax					70,520
Income tax expense					(10,117)
Profit for the period					60,403

Revenue of approximately HK$294,255,000 and HK$688,000 were derived from air freight and sea freight respectively.

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

6 **Income tax expense**

Hong Kong profits tax has been provided for at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits.

Macau complementary tax is levied at progressive rates ranging from 3% to 9% on the taxable income above MOP32,000 (equivalent to approximately HK$31,000) but below MOP300,000 (equivalent to approximately HK$291,000), and thereafter at a fixed rate of 12%. For the period ended 30 June 2012 and 2011, a special complementary tax incentive was provided to effect that tax free income threshold was increased from MOP32,000 to MOP200,000 (equivalent to approximately HK$31,000 to HK$194,000) with the next MOP100,000 (equivalent to approximately HK$97,000) of profit being taxed at a fixed rate of 9% and thereafter at a fixed rate of 12%.

The Group's operations in Mainland China are subject to PRC corporate income tax. The standard PRC corporate income tax rate is 25%. Preferential rate of 5% withholding income tax is also imposed on dividends relating to any profits earned commencing from 1 January 2008 to foreign investors incorporated in Hong Kong.

Taxation outside Hong Kong and Mainland China has been calculated on the estimated assessable profit at the rates of taxation prevailing in the countries in which the Group operates.

The amounts of income tax expense charged to the condensed consolidated interim income statement represent:

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	**948**	1,725
Taxation outside Hong Kong		
Macau	**5,849**	6,635
Mainland China	**577**	1,251
Taiwan	**183**	250
	6,609	8,136
(Over)/under-provision in prior year		
Hong Kong profits tax	**(72)**	—
Taxation outside Hong Kong	**77**	—
	5	—
Deferred income tax	**9**	256
	7,571	10,117

7 **Earnings per share**

(a) Basic

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

The weighted average number of ordinary shares in issue during the six months ended 30 June 2012 used to calculate the basic earnings per share includes the 10,000,000 ordinary shares with par value of HK$0.01 in issue, 290,000,000 shares with par value of HK$0.01 each issued pursuant to the capitalisation issue as if the shares had been in issue throughout the six months ended 30 June 2012 and 100,000,000 ordinary shares with par value of HK$0.01 each issued on 16 January 2012 in connection with the listing of the Company's ordinary shares on the Stock Exchange.

No earnings per share information for the six months ended 30 June 2011 is presented as its inclusion, for the purpose of these condensed interim financial statements, is not considered meaningful due to the Reorganisation and the preparation of the results for the six months ended 30 June 2011 on a combined basis.

	For the six months ended 30 June	
	2012	2011
Profit attributable to equity holders of the Company (HK$'000)	**44,343**	59,351
Weighted average number of ordinary shares in issue (in thousand shares)	**391,758**	N/A
Basic and diluted earnings per share (HK cents per share)	**11.32**	N/A

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Diluted earnings per share for the six months ended 30 June 2012 are the same as the basic earnings per share as there is no potential ordinary share for six months ended 30 June 2012.

8 Dividends

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Interim dividends declared and paid by subsidiaries of the Group (Note (a))	**—**	100,000
Final dividends declared and paid by subsidiaries of the Group (Note (a))	**—**	536
Interim dividend declared by the Company — HK3.3 cents per share (Note (b))	**13,200**	—
	13,200	100,536

The interim dividend declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

Notes:

(a) Dividends were declared by the subsidiaries of the Group to their then equity holders.

(b) Interim dividend for the six months ended 30 June 2012 of HK3.3 cents per share amounting to HK$13,200,000 was proposed by the board of directors on 24 August 2012.

9 **Trade receivables**

	As at	
	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
Trade receivables	**99,358**	71,600

The Group's sales are mainly made on (i) cash on delivery; and (ii) credit terms of 30 to 60 days.

The carrying amounts of trade receivables approximated their fair values.

As at 30 June 2012 and 31 December 2011, the ageing analysis of trade receivables based on invoice date was as follows:

	As at	
	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
0 to 30 days	**60,684**	45,871
31 to 60 days	**28,780**	16,601
61 to 90 days	**5,303**	5,074
Over 90 days	**4,591**	4,054
	99,358	71,600

The maximum exposure to credit risk as at the balance sheet date is the fair values of the trade receivables. The Group did not hold any collateral as security.

10 **Trade payables**

	As at	
	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
Trade payables	**56,554**	60,556

As at 30 June 2012 and 31 December 2011, the ageing analysis of trade payables based on invoice date was as follows:

	As at	
	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
0 to 30 days	**43,056**	29,999
31 to 60 days	**11,702**	8,714
61 to 90 days	**1,085**	5,439
91 to 120 days	**410**	1,913
Over 120 days	**301**	14,491
	56,554	60,556

As at 30 June 2012 and 31 December 2011, the carrying amounts of trade payables approximated their fair values.

11 Share capital and share premium

	Number of shares		Share capital	
	2012	**2011**	**2012**	**2011**
			HK$'000	*HK$'000*
Ordinary shares of HK$0.01 each				
Authorised:				
At 1 January	2,000,000,000	—	20,000	—
Incorporation of Company (Note a)	—	10,000,000	—	100
Addition (Note a)	—	1,990,000,000	—	19,900
At 30 June/31 December	2,000,000,000	2,000,000,000	20,000	20,000

Issued and fully paid ordinary shares of HK$0.01 each:

	2012	2011	Amount 2012			2011
	Issued share capital	Issued share capital	Share capital	Share premium	Total share capital and share premium	Share capital
			HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January	10,000,000	—	100	—	100	—
Issue of shares (Note a)	—	10,000,000	—	—	—	100
Issue of new shares pursuant to the public offering (Note b)	100,000,000	—	1,000	92,000	93,000	—
Capitalisation of shares (Note c)	290,000,000	—	2,900	(2,900)	—	—
Share issuance costs (Note d)	—	—	—	(16,523)	(16,523)	—
At 30 June/31 December	400,000,000	10,000,000	4,000	72,577	76,577	100

Note:

(a) The Company was incorporated on 28 June 2011.

Prior to the incorporation of the Company and the completion of the Reorganisation, the companies, which now comprising the Group, were collectively controlled by the ultimate beneficiary equity holders, Mr. Yu Ho Yuen, Sunny, Mr. Mak Chi Hung, Richard and Mr. Law Kai Lo, Niki.

On 3 December 2011, the shareholders resolved to increase the authorised share capital of the Company from HK$100,000 to HK$20,000,000 by the creation of an addition of 1,990,000,000 shares.

(b) On 16 January 2012, the Company issued 100,000,000 ordinary shares of HK$0.01 each at an offering price of HK$0.93 each through the public offering for an aggregate consideration of approximately HK$93,000,000. These shares rank pari passu in all respects with the existing shares.

(c) On 16 January 2012, pursuant to a shareholder's resolution passed on 3 December 2011, as a result of the listing of the Company, a total of 290,000,000 shares of the Company were allotted and issued to the shareholders as at the date of the resolution on a pro rata basis. The amount was paid up in full by applying an amount of HK$2,900,000 standing to the credit of the share premium account of the Company.

(d) Share issuance costs mainly included underwriting commission, lawyer's fees, reporting accountant's fee and other related costs. Incremental costs that were directly attributable to the issue of the new ordinary shares amounting to HK$16,523,000 was treated as a deduction from share premium. Other share issuance costs which were not directly attributable to the issue of the new ordinary shares amounting to HK$11,672,000 were recognised as expenses in the statement of comprehensive income.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 June 2012, the Group recorded a profit attributable to equity holders of the Company of approximately HK$44.3 million compared with approximately HK$59.4 million for the corresponding period of last year. Total revenue rose by approximately 5.9% to approximately HK$312.3 million in contrast with approximately HK$294.9 million for the first six months of 2011. The rise in revenue was due to the handling of 19,103 tons of air cargo by the Group in the first half of 2012, a year-on-year increase of 12.0% (2011: 17,059 tons).

The first half of 2012 has been a highly challenging period for the air cargo industry. Air cargo demand has experienced negative pressure as a result of the lackluster business environment and weaker consumer confidence. The industry's revenue and profitability have been largely suppressed by soft worldwide demand, as well as excess capacity available on the market. Moreover, export figures from China have indicated a year-on-year slowdown in growth for the first six months of 2012.

Prospect

Looking ahead, the Group remains optimistic about the prospects for the air cargo industry in the second half year. Although the outlook for the world economy is uncertain, global trade is still expanding, and consumer confidence among specific countries and regions within the Middle East and South America along with the United States has realised notable improvements. Even in the face of a downward cycle in the market, the Group has been able to sustain expansion momentum. As at 30 June 2012, the Group increased its airlines appointments to over 40 and has established new offices in Beijing and Osaka, while branch offices in China have increased to a total of 12 and office locations systemwide have increased to a total of 17. The management is confident that expansion of the Group's network will lead to future profitability once the market begins to make a rebound.

FINANCIAL HIGHLIGHTS

Revenue

The Group's revenue amounted to approximately HK$312.3 million for the six months ended 30 June 2012, representing an increase of approximately 5.9% when compared with the same period last year. This was due to an increase in air cargo handled by the Group, rising from 17,059 tons for the six months ended 30 June 2011 to 19,103 tons for the same period this year.

Gross Profit

Overall gross profit of the Group decreased by approximately 8.5% from approximately HK$96.4 million for the six months ended 30 June 2011 to approximately HK$88.2 million for the same period this year, and overall gross profit margin decreased from approximately 32.7% to approximately 28.2% respectively. The contractions were due to lower global demand, as well as excess capacity available on the market.

Administrative Expenses

For the six months ended 30 June 2012, the Group's administrative expenses amounted to approximately HK$35.8 million (2011: HK$28.0 million), representing an increase of approximately 28.0% when compared with the same period last year, which accounted for approximately 11.5% of the Group's turnover (2011: 9.5%). The increase in administrative expenses was mainly due to the increase in number of employees and expansion of Group's network.

Contingent Liabilities and Guarantees

The Group had an un-utilised bank facility of HK$39.5 million as at 30 June 2012 and the facility was secured by the pledged deposits of approximately HK$19.6 million of our Group. Certain airlines and integrated carriers would require their air cargo wholesalers to deliver a bank guarantee before their appointment. The aggregate guarantee amount provided was approximately HK$55.7 million as at 30 June 2012 (31 December 2011: HK$49.6 million). Saved as disclosed above, we had no material contingent liabilities and guarantees.

Contractual and Capital Commitments

As at 30 June 2012, the Group had operating leases commitments of approximately HK$3.8 million (31 December 2011: HK$5.0 million).

Foreign Currency Risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi and United States dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. During the Period, the Group had not hedged its foreign exchange risk because the exposure, after netting off the assets and liabilities subject to foreign exchange risk, is not very significant. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Human Resources

As at 30 June 2012, the Group had 168 full-time employees (31 December 2011: 148 full-time employees). The Group reviews remuneration and benefits of its employees annually according to the relevant market practice and individual performance of the employees.

Save for the social insurance in China and the mandatory provident fund scheme in Hong Kong, the Group has not set aside or accrued any amount of money to provide for retirement or similar benefits for its employees. The staff costs incurred for the Period were approximately HK$22.1 million (2011: HK$14.3 million).

CODE ON CORPORATE GOVERNANCE PRACTICES

Good corporate governance is conducive to enhancing the Group's overall performance and accountability is essential in modern corporate administration. The Board, which includes three independent non-executive Directors out of a total of six Directors, is responsible for setting strategic, management and financial objectives and continuously observes the principles of good corporate governance and devotes considerable effort to identifying and formalising best practice to ensure the interests of Shareholders, including those of minority Shareholders, are protected.

ASR Holdings Limited is incorporated in the Cayman Islands and has its shares listing on the Hong Kong Stock Exchange on 16 January 2012 (the "**Listing Date**"). The corporate governance rules applicable to the Company is on Corporate Governance Code as set out in Appendix 14 to the Listing Rules. In the opinion of the Board, the Company has complied with the code provisions as set out in the Corporate Governance Code from the Listing Date until 31 March 2012 and with the revised Corporate Governance Code from 1 April 2012 until 30 June 2012, respectively, except for the deviation from code provisions A.2.1 and A.6.7 of the Corporate Governance Code as described below.

Code Provision A.2.1

Under code provision A.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Currently the positions of chairman and chief executive officer of the Company are both currently carried on by Mr. Yu Ho Yuen, Sunny. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. Mr. Yu Ho Yuen, Sunny has considerable and extensive experience in the air cargo industry and in enterprise operation and management in general. The Board believes that having the same person performing the roles of both chairman and chief executive officer does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group. Further, the decisions of the Board are made collectively by way of voting and therefore the chairman of the Board should not be able to monopolise the voting result.

Code Provision A.6.7

Under code provision A.6.7 of the Corporate Governance Code, the independent non-executive Directors should attend the general meetings. However, due to other business commitment, the independent non-executive Directors, Mr. Wei Jin Cai and Dr. Tyen Kan Hee, Anthony did not attend the annual general meeting of the Company held on 30 May 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules regarding securities transactions by directors and senior management. After specific enquiry, all Directors of the Company confirmed that they have complied with the required standard of dealings set out in the Model Code since the listing of the Shares on 16 January 2012.

AUDIT COMMITTEE

The Company has established the Audit Committee in accordance with the requirements of the Corporate Governance Code for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal control. The Audit Committee comprises three independent non-executive Directors. The interim results for the Period are unaudited but have been reviewed by the Audit Committee. During the Period, two regular meetings of the Audit Committee have been held.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK3.3 cents per ordinary share in respect of the Period, payable on 8 November 2012 to Shareholders whose names appear on the register of members of the Company as at the close of business on 11 October 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 10 October 2012 to Thursday, 11 October 2012 (both days inclusive) during which period no transfer of shares will be registered.

To ensure the entitlement to the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 9 October 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its shares during the period from the Listing Date to 30 June 2012. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period from the Listing Date to 30 June 2012.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings when used herein:

"Board"	the board of Directors
"Company"	ASR Holdings Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands and the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"Corporate Governance Code"	code on corporate governance practices as set out in Appendix 14 to 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
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Main Board"	the stock market operated by the Hong Kong Stock Exchange, which excludes the Growth Enterprise Market and the options market
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
"MOP"	Macau Patacas, the lawful currency of Macau
"PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company

By order of the Board
ASR Holdings Limited
Yu Ho Yuen, Sunny
Chairman

Hong Kong, 24 August 2012

As at the date of this announcement, the executive Directors are Mr. Yu Ho Yuen, Sunny, Mr. Mak Chi Hung, Richard and Mr. Law Kai Lo, Niki, and the independent non-executive Directors are Mr. Wei Jin Cai, Dr. Zhang Xianlin and Dr. Tyen Kan Hee, Anthony.