ASR Holdings Limited
瀚洋控股有限公司

(Incorporated in Cayman Islands with limited liability)
(Stock Code: 1803)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS		2013	2012
Revenue	*HK$ million*	**806.7**	674.2
Gross profit	*HK$ million*	**214.7**	184.9
Gross profit margin	*%*	**26.6**	27.4
Profit for the year	*HK$ million*	**92.7**	90.1
Profit attributable to equity holders	*HK$ million*	**93.1**	89.9
Profit margin	*%*	**11.5**	13.3
			(Restated)
Earnings per share	*HK cents*	**11.63**	11.36
Return on equity	*%*	**31.1**	37.5

ANNUAL RESULTS

The Board is pleased to announce the consolidated annual results of the Group for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	**2013** *HK$'000*	**2012** *HK$'000*
Revenue	*2*	**806,713**	674,197
Cost of sales		**(592,002)**	(489,298)
Gross profit		**214,711**	184,899
Other losses, net		**(1,346)**	(855)
Other income		**—**	250
Administrative expenses		**(102,836)**	(77,856)
Operating profit		**110,529**	106,438
Finance income		**559**	504
Finance costs		**(2)**	(3)
Finance income, net		**557**	501
Profit before income tax		**111,086**	106,939
Income tax expense	*5*	**(18,380)**	(16,863)
Profit for the year		**92,706**	90,076
Other comprehensive income			
Items that have been reclassified or subsequently reclassified to profit or loss			
Recycling of revaluation reserve upon disposal of available-for-sale financial assets		**—**	(34)
Currency translation differences		**1,301**	643
Total comprehensive income for the year		**94,007**	90,685
Profit attributable to:			
- Equity holders of the Company		**93,050**	89,943
- Non-controlling interests		**(344)**	133
		92,706	90,076

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	**2013**	**2012**
		HK$'000	*HK$'000*
Total comprehensive income attributable to:			
- Equity holders of the Company		**94,375**	90,552
- Non-controlling interests		**(368)**	133
		94,007	90,685
		HK cents	*HK cents (Restated)*
Earnings per share for profit attributable to:			
- Equity holders of the Company			
Basic and diluted	*7*	**11.63**	11.36
		HK$'000	*HK$'000*
Dividends	*8*		
— Interim		**22,400**	13,200
— Final		**14,400**	14,000
— Special		**120,000**	—
		156,800	27,200

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	**2013**	**2012**
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,184**	8,108
Goodwill		**557**	557
Investment in an associated company		**1**	—
Loan to an associated company		**3,600**	—
Prepayment and other receivables		**3,741**	—
Long-term deposits		**1,441**	352
Deferred income tax assets		**550**	923
		17,074	9,940
Current assets			
Trade receivables	*3*	**133,592**	103,829
Prepayments, deposits and other receivables		**6,952**	10,295
Other current assets		**1,930**	2,910
Pledged deposits		**26,882**	24,885
Cash and cash equivalents		**252,534**	192,935
		421,890	334,854
Total assets		**438,964**	344,794
EQUITY			
Share capital	*6*	**4,000**	4,000
Reserves		**294,869**	235,640
		298,869	239,640
Non-controlling interests		**1,269**	1,641
Total equity		**300,138**	241,281

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2013

	Note	**2013** *HK$'000*	**2012** *HK$'000*
LIABILITIES			
Non-current liabilities			
Finance lease liabilities		**—**	7
Deferred income tax liabilities		**1,479**	1,362
		1,479	1,369
Current liabilities			
Trade payables	*4*	**89,619**	68,222
Other payables and accruals		**32,127**	20,065
Finance lease liabilities		**7**	7
Current income tax payable		**15,594**	13,850
		137,347	102,144
Total liabilities		**138,826**	103,513
Total equity and liabilities		**438,964**	344,794
Net current assets		**284,543**	232,710
Total assets less current liabilities		**301,617**	242,650

NOTES

1. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(i) New standards, amendments to existing standards and interpretation effective in 2013 but have no significant impacts or are not relevant to the Group

The following new standards, amendments to existing standards and interpretation are mandatory for the first time for the financial year beginning 1 January 2013.

HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKFRS 1 (Amendment)	Government Loans
HKFRS 7 (Amendment)	Disclosures - Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurements
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance
Annual Improvements Project HKAS 1	Annual Improvements 2009 - 2011 Cycle Amendment "Presentation of Items of Other Comprehensive Income"

(ii) New standards, amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted by the Group

		Effective for annual periods beginning on or after
HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contributions	1 July 2014
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities	1 January 2014
HKAS 36 (Amendment)	Recoverable Amount Disclosures For Non-Financial Assets	1 January 2014
HKAS 39 (Amendment)	Novation of Derivatives And Continuation of Hedge Accounting	1 January 2014
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosures	1 January 2015
HKFRS 9	Financial Instruments	Undetermined
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities	1 January 2014
HK(IFRIC) — Int 21	Levies	1 January 2014
Annual Improvements Project	Annual Improvements 2012	1 July 2014
Annual Improvements Project	Annual Improvements 2013	1 July 2014

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

2. **Sales and segment information**

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

The chief operating decision-maker has 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 services.

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2013 is as follows:

	Europe	**America**	**Asia-Pacific**	**Africa**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Sales to external customers	**124,387**	**82,560**	**506,437**	**93,329**	**806,713**
Cost of sales	**(113,108)**	**(78,697)**	**(319,062)**	**(81,135)**	**(592,002)**
Segment results	**6,334**	**2,168**	**105,214**	**6,848**	**120,564**
Unallocated expense, net					**(7,471)**
Depreciation					**(2,564)**
Operating profit					**110,529**
Finance income, net					**557**
Profit before income tax					**111,086**
Income tax expense					**(18,380)**
Profit for the year					**92,706**

Revenue of approximately HK$805,219,000 and HK$1,494,000 were derived from air freight service and sea freight service, respectively.

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2012 is as follows:

	Europe	**America**	**Asia-Pacific**	**Africa**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Sales to external customers	150,701	72,934	372,880	77,682	674,197
Cost of sales	(139,253)	(68,618)	(217,026)	(64,401)	(489,298)
Segment results	7,066	2,664	96,204	8,197	114,131
Unallocated expense, net					(5,478)
Depreciation					(2,215)
Operating profit					106,438
Finance income, net					501
Profit before income tax					106,939
Income tax expense					(16,863)
Profit for the year					90,076

Revenue of approximately HK$673,805,000 and HK$392,000 were derived from air freight service and sea freight service, respectively.

3 **Trade receivables**

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**133,592**	103,829

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

As at 31 December 2013, the carrying amounts of trade receivables approximated their fair values.

As at 31 December 2013, the ageing analysis of trade receivables based on invoice date was as follows:

	2013	2012
	HK$'000	*HK$'000*
- 0 to 30 days	**79,980**	65,482
- 31 to 60 days	**37,864**	31,293
- 61 to 90 days	**11,716**	4,735
- Over 90 days	**4,032**	2,319
	133,592	103,829

The maximum exposure to credit risk as at the balance sheet dates is the fair values of the trade receivables.

4 **Trade payables**

	2013	2012
	HK$'000	*HK$'000*
Trade payables	**89,619**	68,222

As at 31 December 2013, the ageing analysis of trade payables based on invoice date was as follows:

	2013	2012
	HK$'000	*HK$'000*
- 0 to 30 days	**50,749**	45,688
- 31 to 60 days	**20,163**	13,377
- 61 to 90 days	**6,236**	3,181
- 91 to 120 days	**1,857**	1,889
- Over 120 days	**10,614**	4,087
	89,619	68,222

As at 31 December 2013, the carrying amounts of trade payables approximated their fair values.

5. **Income tax expense**

Hong Kong profits tax has been provided for at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits during the year.

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 years ended 31 December 2013 and 2012, a special complementary tax incentive was provided to the 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 by the PRC incorporated subsidiaries commencing from 1 January 2008 when distributed to the holding companies incorporated in Hong Kong.

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

	2013	**2012**
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**1,993**	1,726
Tax outside Hong Kong		
Macau	**12,817**	12,468
Mainland China	**2,860**	1,534
Others	**298**	561
	15,975	14,563
Over-provision in prior year		
Hong Kong profits tax	**(78)**	(311)
Tax outside Hong Kong	**—**	84
	(78)	(227)
Deferred tax	**490**	801
	18,380	16,863

6. **Share capital and share premium**

	Number of shares		Amount
	At HK$0.01 each	*At HK$0.005 each*	*HK$'000*
Ordinary shares			
Authorised:			
At 1 January 2012	2,000,000,000	—	20,000
Movement	—	—	—
At 31 December 2012	2,000,000,000	—	20,000
At 1 January 2013	2,000,000,000	—	20,000
Effect of share subdivision to HK$0.005 each (Note a)	(2,000,000,000)	4,000,000,000	—
At 31 December 2013	**—**	**4,000,000,000**	**20,000**
Issued and fully paid:			
At 1 January 2012	10,000,000	—	100
Issue of new shares pursuant to the public offering (Note b)	100,000,000	—	1,000
Capitalisation of shares (Note c)	290,000,000	—	2,900
At 31 December 2012	400,000,000	—	4,000
At 1 January 2013	400,000,000	—	4,000
Effect of share subdivision to HK$0.005 each (Note a)	(400,000,000)	800,000,000	—
At 31 December 2013	**—**	**800,000,000**	**4,000**
Share premium			
At 31 December 2013 and 2012			72,565

Note:

(a) With effective from 24 May 2013, each share of the Company of HK$0.01 per share was subdivided into 2 shares of HK$0.005 per share. The number of share capital and share options will be increased accordingly. Share capital is therefore presented on a post share subdivision basis.

(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 ("Capitalisation Issue"). The amount of HK$2,900,000 was paid in full against the share premium account of the Company.

7. **Earnings per share**

(a) Basic

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

The weighted average number of ordinary shares in issue during the year ended 31 December 2013 used to calculate the basic earnings per share has accounted for the share subdivision which was effective from 24 May 2013. Each share of the Company of HK$0.01 per share was subdivided into 2 shares of HK$0.005 per share with effective from 24 May 2013. The corresponding weighted average number of ordinary shares of 2012 has been retrospectively adjusted to reflect the said share subdivision.

Therefore, after accounting for the effect of share subdivision, the weighted average number of ordinary shares in issue during the years ended 31 December 2013 and 2012 includes 20,000,000 ordinary shares with par value of HK$0.005 in issue, 580,000,000 shares with par value of HK$0.005 each issued pursuant to the capitalisation issue as if the shares had been in issue throughout the years ended 31 December 2013 and 2012 and 200,000,000 ordinary shares with par value of HK$0.005 each issued on 16 January 2012 in connection with the listing of the Company's ordinary shares on the Hong Kong Stock Exchange.

	2013	**2012** *(Restated)*
Profit attributable to equity holders of the Company (HK$'000)	**93,050**	89,943
Weighted average number of ordinary shares in issue (in thousand shares)	**800,000**	791,803
Basic and diluted earnings per share (HK cents per share)	**11.63**	11.36

(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 years ended 31 December 2013 and 2012 are the same as the basic earnings per share as there is no dilutive potential ordinary share for the years ended 31 December 2013 and 2012.

8. **Dividends**

	2013	**2012**
	HK$'000	*HK$'000*
Interim dividends declared and paid for year 2013		
- HK2.8 cents per share (2012: HK1.65 cents per share) (Note a)	**22,400**	13,200
Final dividends declared for year 2013		
- HK1.8 cents per share (Note b)	**14,400**	—
Special dividend declared for year 2013		
- HK15 cents per share (2012: Nil) (Note c)	**120,000**	
Final dividend declared and paid for year 2012		
- HK1.75 cents per share (Note b)	**—**	14,000
	156,800	27,200

The final and special dividend declared after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

Notes:

(a) For interim dividend declared and paid for year 2012, amount of dividend per share was adjusted from HK$ 3.3 cents per share to HK$ 1.65 cents per share due to the share subdivision during the year. Each share of the Company of HK$0.01 per share was subdivided into 2 shares of HK$0.005 per share with effective from 24 May 2013.

(b) For final dividend declared and paid for year 2012, the amount of dividend per share was adjusted from HK$ 3.5 cents per share to HK$ 1.75 cents per share due to the share subdivision during the year.

For final dividend declared for year 2013, dividend of HK$ 1.8 cents per share amounting to HK$14,400,000 based on 800,000,000 shares in issue as at 31 December 2013 will be proposed by the board of Directors on 18 March 2014.

(c) Special dividend declared for year 2013 of HK15 cents per share amounting to HK$120,000,000 was proposed by the board of Directors on 18 March 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group has achieved encouraging results in 2013, reporting an increase of 3.6% in attributable profit to the equity holders of the Company to HK$93.1 million (2012: HK$89.9 million). During the year, the cargo handled by the Group increased by 24.3% to 53,058 tons (2012: 42,689 tons), with revenue rising by 19.7% to HK$806.7 million (2012: HK$674.2 million) and gross profit increasing by 16.1% to HK$214.7 million (2012: HK$184.9 million). The Group has also maintained a strong financial position with no borrowings and with cash and cash equivalents of HK$252.5 million (2012: HK$192.9 million).

The Board of Directors of the Group has recommended a final dividend of HK1.8 cents per share (2012: HK1.75 cents restated from HK3.5 cents per share before share subdivision) and a special dividend of HK15 cents per share (2012: Nil) for the year ended 31 December 2013.

In 2013, the business environment for the air cargo industry remained challenging. Overall, global air cargo demand has remained flat, while an oversupply of air cargo capacity has persisted. The recovery of major economies has been slower than expected and growth in world trade was weaker than normal. This dull picture was mirrored in the air cargo industry, with an IATA report revealing growth of 1.2% in global Freight Tonne Kilometers ("FTKs"), and growth of 2.6% in global Available Freight Tonne Kilometers ("AFTKs"). Capacity grew faster than demand, with the load factor remaining weak at 46.3%.

Despite the challenging operating environment, the Group has still managed to grow during the reporting year by expanding its presence in the wholesale market for outbound air routes departing mainly from the Asia Pacific to a vast number of global destinations. This expansion was realized through the Group's strong alliances forged with airlines, integrated carriers and freight forwarders over the years. As at 31 December 2013, the number of airline and integrated carrier appointments with the Group increased to more than 50 (2012: 45); the top 100 customers accounted for approximately 65% of total sales; and the number of office locations increased to 29 in total (2012: 21), bolstered by four new offices in China (Guangzhou Baiyun Airport, Zhengzhou, Dongguan and Kumming), four new offices in Asia (Singapore, Malaysia and India) and one new office in Europe (Helsinki, Finland).

PROSPECT

Looking ahead to 2014, the business environment for the air cargo industry will remain challenging. On the demand side, recovery of major economies is expected to be slow, which may affect demand for high-value air cargo such as semi-conductor products. China's export figures were below market expectations for the first two months of 2014, suggesting that exports for the full year will possibly be sluggish with slower growth compared to previous years. Moreover, the weaker JPY and KOR currencies will present further challenges to export demand of China. However, IATA remains optimistic and predicts a cyclical upturn in air cargo demand as reflected by both business confidence and FTKs. On the supply side, overcapacity in the air cargo market remains due to increase in cargo belly capacity driven by more demand from passenger traffic. Also, with passenger aircrafts being converted into cargo freighters, still more air freight capacity will be created, resulting in intense market competition and downward pressure on yield performance.

Notwithstanding the difficult business environment, the management is confident that the Group will continue to expand in the wholesale market. To achieve organic growth of the core business, the Group will explore more airline appointment opportunities and expand its network in China, Southeast Asia (such as Cambodia, Vietnam, Indonesia and the Philippines where high growth potential exists) and India. Concurrently, the Group will seek to diversify its business in order to increase revenue streams. This involves the official launch of the Group's electronic booking platform in the first quarter of 2014 which targets a new segment of freight forwarders in the Greater China region, and the official introduction of express cargo products to Asia, UK, Australia and the Americas, together with the official opening of a cargo terminal in Helsinki.

In view of the challenging environment, global economic uncertainties and overcapacity in the air cargo industry, compounded by rising labor, rental and administration costs associated with added business volume, the management will be committed to building expansion momentum leading to the organic growth of the core business, while at the same time seizing opportunities to diversify the Group's operations to drive both top line and bottom line growth.

FINANCIAL HIGHLIGHTS

Revenue

The Group's revenue amounted to approximately HK$806.7 million for the year ended 31 December 2013, representing an increase of approximately 19.7% when compared with last year. This was due to an increase in air cargo handled by the Group, rising from 42,689 tons for the year ended 31 December 2012 to 53,058 tons for this year.

Gross Profit

Overall gross profit of the Group increased by approximately 16.1% from approximately HK$184.9 million for the year ended 31 December 2012 to approximately HK$214.7 million for this year, and overall gross profit margin decreased from approximately 27.4% to approximately 26.6% respectively. The contractions were due to excess capacity available on the market.

Administrative Expenses

For the year ended 31 December 2013, the Group's administrative expenses amounted to approximately HK$102.8 million (2012: approximately HK$77.9 million), representing an increase of approximately 32.0% when compared with last year, which accounted for approximately 12.7% of the Group's turnover (2012: approximately 11.5%). The increase in administrative expenses was mainly due to the increase in number of employees, more sales and promotion activities and expansion of Group's network.

Contingent Liabilities and Guarantees

The Group had an un-utilised bank facility of approximately HK$78.5 million as at 31 December 2013 and the facility was secured by the pledged deposits of approximately HK$26.9 million of our Group. Certain airlines and integrated carriers would require their air cargo wholesalers to deliver bank guarantees before their appointment. The aggregate guarantee amount provided was approximately HK$70.5 million as at 31 December 2013 (2012: approximately HK$63.9 million). Saved as disclosed above, we had no material contingent liabilities and guarantees.

Contractual and Capital Commitments

As at 31 December 2013, the Group had operating lease commitments of approximately HK$19.6 million (2012: approximately HK$4.8 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 year 2013, 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 arises.

Human Resources

As at 31 December 2013, the Group had 231 full-time employees (2012: 174). 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 significant amount of money to provide for retirement or similar benefits for its employees. The staff costs incurred for the year ended 31 December 2013 were approximately HK$60.7 million (2012: approximately HK$45.8 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 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 31 December 2013 respectively, except for the deviation from code provisions A.6.7 of the Corporate Governance Code as described below.

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, Dr. Tyen Kan Hee, Anthony, an independent non-executive Director, was hospitalized and was unable to attend the annual general meeting of the Company held on 23 May 2013.

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. During the year ended 31 December 2013, the Audit Committee has held four meetings to discuss the auditing, internal controls and financial reporting matters of the Company.

The audit committee has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 December 2013.

DIVIDENDS

An interim dividend of HK2.8 cents (2012: HK1.65 cents) (restated) per share in respect of the period ended 30 June 2013 was paid on 28 October 2013.

The Board has recommended a final dividend of HK1.8 cents and a special dividend of HK15 cents per ordinary share in respect of the year ended 31 December 2013, payable on 26 June 2014 to Shareholders whose names appear on the register of members of the Company as at the close of business on 28 May 2014 subject to the approval of the Shareholders of the Company at the forthcoming annual general meeting.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 16 May 2014 to 20 May 2014 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting of the Company, 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 (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, with effect from 31 March 2014), not later than 4:30 p.m. on 15 May 2014.

For determining the entitlement to the proposed final dividend for the year ended 31 December 2013, the register of members of the Company will be closed from 27 May 2014 to 28 May 2014 (both days inclusive) during which period no transfer of shares of the Company will be registered. In order to be eligible to receive the proposed final dividend for the year ended 31 December 2013, 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 the above address, not later than 4:30 p.m. on 26 May 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares for the year ended 31 December 2013.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held in Hong Kong on 20 May 2014. Notice of the annual general meeting will be issued and disseminated to Shareholders in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.asr.com.hk). The annual report for the year ended 31 December 2013 containing all the information required by Appendix 16 to the Listing Rules will be despatched to Shareholders and available on the same websites in due course.

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
"IATA"	International Air Transport Association
"JPY"	Japan yen, the lawful currency of Japan
"KOR"	Korea won, the lawful currency of Korea
"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$0.005 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, 18 March 2014

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.