ASR Logistics Holdings Limited
瀚洋物流控股有限公司

(Formerly known as 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 2014

The Board is pleased to announce the consolidated interim results of the Group for the six months ended 30 June 2014 (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 "**HKICPA**"). The 2014 consolidated interim results of the Group are unaudited, but have been reviewed by the audit committee of the Company (the "**Audit Committee**") and approved by the Board on 25 August 2014.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2014

		Six months ended 30 June	
		2014	2013
		(Unaudited)	*(Unaudited)*
	Note	***HK$'000***	*HK$'000*
Revenue	5	**428,020**	363,320
Cost of sales		**(331,696)**	(257,317)
Gross profit		**96,324**	106,003
Other gains/(losses), net		**235**	(1,902)
Other income		**463**	—
Administrative expenses		**(72,381)**	(47,718)
Operating profit	5	**24,641**	56,383
Finance income		**288**	227
Finance costs		**(13)**	(1)
Finance income, net		**275**	226
Share of loss of an associate		**(94)**	—
Profit before income tax		**24,822**	56,609
Income tax expense	6	**(7,298)**	(10,227)
Profit for the period		**17,524**	46,382
Other comprehensive (loss)/income			
Currency translation differences		**(884)**	1,144
Total comprehensive income for the period		**16,640**	47,526

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE SIX MONTHS ENDED 30 JUNE 2014

		Six months ended 30 June	
		2014	2013
		(Unaudited)	*(Unaudited)*
	Note	***HK$'000***	*HK$'000*
Profit attributable to:			
- Equity holders of the Company		**18,722**	46,232
- Non-controlling interests		**(1,198)**	150
		17,524	46,382
Total comprehensive income attributable to:			
- Equity holders of the Company		**17,722**	47,376
- Non-controlling interests		**(1,082)**	150
		16,640	47,526
Earnings per share for profit attributable to equity holders of the Company		***HK cents***	*HK cents*
- Basic	7	**2.34**	5.78
- Diluted	7	**2.33**	5.78
		HK$'000	*HK$'000*
Dividends	8	**140,000**	36,400

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE 2014

	Note	**30 June 2014** *(Unaudited)* *HK$'000*	31 December 2013 *(Audited)* *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**9,520**	7,184
Intangible assets		**2,007**	—
Goodwill		**557**	557
Investments in associated companies		**496**	1
Loan to an associated company		**3,600**	3,600
Prepayment and other receivables		**1,580**	3,741
Long-term deposits		**793**	1,441
Deferred income tax assets		**620**	550
		19,173	17,074
Current assets			
Trade receivables	9	**150,330**	133,592
Prepayments, deposits and other receivables		**15,554**	6,952
Other current assets		**310**	1,930
Pledged deposits		**25,980**	26,882
Cash and cash equivalents		**150,721**	252,534
		342,895	421,890
Total assets		**362,068**	438,964
EQUITY			
Share capital	11	**4,000**	4,000
Reserves		**178,859**	294,869
		182,859	298,869
Non-controlling interests		**951**	1,269
Total equity		**183,810**	300,138

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2014

	Note	**30 June 2014** **(*Unaudited*)** ***HK$'000***	31 December 2013 (*Audited*) *HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**1,401**	1,479
		1,401	1,479
Current liabilities			
Trade payables	10	**111,915**	89,619
Other payables and accruals		**30,152**	32,127
Bank borrowings		**12,724**	—
Finance lease liabilities		**3**	7
Current income tax liabilities		**22,063**	15,594
		176,857	137,347
Total liabilities		**178,258**	138,826
Total equity and liabilities		**362,068**	438,964
Net current assets		**166,038**	284,543
Total assets less current liabilities		**185,211**	301,617

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information of the Group

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 25 August 2014.

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 2014 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting" issued by the HKICPA. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

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 2013, 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.

(i) New standards, amendments and interpretation to existing standards effective in 2014 but have no significant impacts or are not relevant to the Group

HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures For Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives And Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities
HK(IFRIC) — Int 21	Levies

(ii) New standards and amendments to existing standards have been issued but are not effective for the financial year beginning 1 January 2014 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
Annual Improvements Project	Annual Improvements 2012	1 July 2014
Annual Improvements Project	Annual Improvements 2013	1 July 2014
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRS 9	Financial Instruments	1 January 2018
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures	1 January 2018

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

4 Estimates

The preparation of the condensed consolidated 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 2013.

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 Directors 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 2014 is as follows:

	Europe *HK$'000*	**America** *HK$'000*	**Asia-Pacific** *HK$'000*	**Africa** *HK$'000*	**Total** *HK$'000*
Sales to external customers	46,332	32,989	304,121	44,578	428,020
Cost of sales	(43,468)	(31,669)	(218,883)	(37,676)	(331,696)
Segment results	866	400	25,818	2,090	29,174
Unallocated expenses, net					(2,828)
Depreciation and amortisation					(1,705)
Operating profit					24,641
Finance income, net					275
Share of loss of an associate					(94)
Profit before income tax					24,822
Income tax expense					(7,298)
Profit for the period					17,524

Revenue of approximately HK$427,637,000 and HK$383,000 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 six months ended 30 June 2013 is as follows:

	Europe *HK$'000*	**America** *HK$'000*	**Asia-Pacific** *HK$'000*	**Africa** *HK$'000*	**Total** *HK$'000*
Sales to external customers	56,963	36,027	230,259	40,071	363,320
Cost of sales	(51,630)	(34,175)	(136,626)	(34,886)	(257,317)
Segment results	3,142	1,091	55,165	3,054	62,452
Unallocated expenses, net					(4,820)
Depreciation					(1,249)
Operating profit					56,383
Finance income, net					226
Profit before income tax					56,609
Income tax expense					(10,227)
Profit for the period					46,382

Revenue of approximately HK$362,677,000 and HK$643,000 were derived from air freight service and sea freight service 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% (2013: 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 2014, a special complementary tax incentive was provided to effect that tax free income threshold was increased from MOP32,000 to MOP300,000 (equivalent to approximately HK$31,000 to HK$291,000) and thereafter at a fixed rate of 12%. For the period ended 30 June 2013, a special complement tax incentive was provided to effect 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 statement of comprehensive income represent:

	For the six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	**2,017**	1,978
Taxation outside Hong Kong		
Macau	**3,840**	6,699
Mainland China	**147**	1,439
Taiwan	**104**	111
Malaysia	**257**	—
India	**1,038**	—
Others	**42**	—
	5,428	8,249
Under-provision in prior year		
Hong Kong profits tax	**3**	—
Deferred income tax	**(150)**	—
	7,298	10,227

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 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.

	For the six months ended 30 June	
	2014	2013
Profit attributable to equity holders of the Company for the purpose of basic and diluted earnings per share (HK$'000)	**18,722**	46,232
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share (in thousand shares)	**800,000**	800,000
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share (in thousand shares)	**803,220**	800,000
Basic earnings per share (HK cents per share)	**2.34**	5.78
Diluted earnings per share (HK cents per share)	**2.33**	5.78

(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 2013 is the same as the basic earnings per share as there is no dilutive potential ordinary share for six months ended 30 June 2013.

8 Dividends

	For the six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Final dividends declared for year 2013		
— HK1.8 cents per share (2013: HK1.75 cents)	**14,400**	14,000
Special dividends declared for year 2013		
— HK15 cents per share (2013: Nil)	**120,000**	—
Interim dividends declared for year 2014 (Note a)	**5,600**	—
Interim dividends declared and paid for year 2013		
— HK2.8 cents per share	**—**	22,400
	140,000	36,400

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.

Note:

(a) Interim dividend for the six months ended 30 June 2014 of HK0.7 cents per share amounting to HK$5,600,000 was proposed by the board of directors on 25 August 2014.

9 Trade receivables

	As at	
	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
Trade receivables	**150,330**	133,592

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 2014 and 31 December 2013, the ageing analysis of trade receivables based on invoice date was as follows:

	As at	
	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
0 to 30 days	**82,225**	79,980
31 to 60 days	**42,087**	37,864
61 to 90 days	**15,374**	11,716
Over 90 days	**10,644**	4,032
	150,330	133,592

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

10 Trade payables

	As at 30 June 2014	31 December 2013
	HK$'000	*HK$'000*
Trade payables	**111,915**	89,619

As at 30 June 2014 and 31 December 2013, the ageing analysis of trade payables based on invoice date was as follows:

	As at 30 June 2014	31 December 2013
	HK$'000	*HK$'000*
0 to 30 days	**57,182**	50,749
31 to 60 days	**31,544**	20,163
61 to 90 days	**7,344**	6,236
91 to 120 days	**8,328**	1,857
Over 120 days	**7,517**	10,614
	111,915	89,619

As at 30 June 2014 and 31 December 2013, the carrying amounts of trade payables approximated their fair values.

11 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 2013	2,000,000,000	—	20,000
Effect of share subdivision to HK$0.005 each	(2,000,000,000)	4,000,000,000	—
At 31 December 2013 and 30 June 2014	**—**	**4,000,000,000**	**20,000**
Issued and fully paid:			
At 1 January 2013	400,000,000	—	4,000
Effect of share subdivision to HK$0.005 each	(400,000,000)	800,000,000	—
At 31 December 2013 and 30 June 2014	**—**	**800,000,000**	**4,000**
Share premium			
At 31 December 2013 and 30 June 2014			72,565

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group has reported an attributable profit of HK$18.7 million for the six months ended 30 June 2014 (2013: HK$46.2 million). Revenue for the period rose by 17.8% to HK$428.0 million (2013: HK$363.3 million) and gross profit for the period was HK$96.3 million (2013: HK$106.0 million) with gross profit margin at 22.5% (2013: 29.2%). Volume of cargo handled increased by 14.8% to 28,096 tons (2013: 24,480 tons).

The Board of Directors of the Group has declared an interim dividend of HK0.7 cents per share (2013: HK2.80 cents). The interim dividend totalling HK$5.6 million will be paid on 23 October 2014.

Whilst key challenges persisted, the air cargo industry saw slight improvement from the previous year during the first half of 2014. Demand environment indicates improvement on major economies and supported by selective launching of semi-conductors commodities. However, as reported by a IATA's cargo report on second quarter of 2014, the demand for air cargo has seen some deterioration over recent months. World trade volumes have started to decline, particularly in the emerging Asia. Moreover, over-capacity continued to place downward pressure on the financial performance of air cargo business.

Compared with the same period in 2013, the freighter fleet operators continue to operate in a stable manner. The passengers belly capacity grew at a relatively aggressive pace, IATA predicts 19% increase of delivery of new aircrafts with belly hold capacity in 2014, of which 8% will be wide body jet-liners. The passenger routes may not necessary be popular cargo destinations, which will provide more cargo capacity on deferred products basis. The increasing number of low cost carriers in the Asian Pacific region has subsequently imposed pressure on selling rates and narrowed down the rate gap between time definite and deferred air freight products. These factors had adversely affected the selling price and gross profit of the Group.

Despite the challenging business environment, revenue of the Group still managed to grow with its added capacity and expanded business network. As at 30 June 2014, the number of airline and integrated carrier appointments with the Group increased to more than 55 (2013: 45), and the number of office locations increased to 37 in total (2013: 25) including three in China (Dongguan, Kunming and Qingdao), eight in Asia (New Dehli, Bangalore and Chennai (India); Jakarta(Indonesia); Phnom Penh(Cambodia); Ho Chi Minh City and Hanoi(Vietnam); and Nagoya(Japan)) and one in Europe (Helsinki(Finland)).

While the revenue of the Group increased, there was decrease in profit of our Group for the first half of 2014 as compared to that for the corresponding period in 2013 mainly due to the increase in administrative costs attributable to the Group's recent expansion of business, sales and service network, including staff costs which rose to HK$45.9 million (2013:HK$28.0 million), office rentals increased to HK$5.4 million (2013: HK$3.8 million), marketing, promotion and travelling expense increased to HK$8.9 million (2013: HK$7.0 million) for the reporting period.

PROSPECT

Looking ahead to the second half of 2014 and year of 2015, the overall air cargo business environment will remain challenging with ample business opportunities. Over-capacity will continue to be a major issue. However, the Group will commit efforts to grow, enhance and consolidate its current Asian network.

The Group will continue to expand in the wholesale market by exploring more airline appointment opportunities and expanding its network in China (such as Xian and Chongqing) and Asia (such as Manila (the Philippines)). At the same time, the Group will continue to enhance the development of its electronic booking platform launched in March 2014, with e-trade and interface with e-merchants, and facilitate the development of e-commerce business, as well as the cargo terminal in Helsinki, Finland.

In view of the rising operating costs, the Group will implement further cost control measures such as posting a freeze on headcount, consolidating our offices, reducing marketing, promotional and all non-revenue direct driven expenditures activities which will not affect the expansion pace.

Notwithstanding the difficult market environment in the air cargo industry on wholesaling and reselling, over-capacity in air cargo and the rising costs in labor, offices and other operating costs associated with added business volume, the management will maintain our commitment to grow and expand our core business and concurrently explore new revenue streams with optimized operating costs, to drive top line and bottom line.

FINANCIAL HIGHLIGHTS

Revenue

The Group's revenue amounted to approximately HK$428.0 million for the six months ended 30 June 2014, representing an increase of approximately 17.8% when compared with the same period last year. This was due to an increase in air cargo handled by the Group, rising from 24,480 tons for the six months ended 30 June 2013 to 28,096 tons for the same period this year.

Gross Profit

Overall gross profit of the Group decreased by approximately 9.1% from approximately HK$106.0 million for the six months ended 30 June 2013 to approximately HK$96.3 million for the same period this year, and overall gross profit margin decreased from approximately 29.2% to approximately 22.5% respectively. This was mainly due to the decrease in yield attributable to the pressure of overcapacity in the air cargo markets.

Administrative Expenses

For the six months ended 30 June 2014, the Group's administrative expenses amounted to approximately HK$72.4 million (2013: HK$47.7 million), representing an increase of approximately 51.8% when compared with the same period last year, which accounted for approximately 16.9% of the Group's turnover (2013: 13.1%). The increase in administrative expenses was mainly attributable to the Group's recent expansion of business, sales and services network including staff costs which increased by 63.9% to HK$45.9 million (2013: HK$28.0 million), office rentals increased by 42.1% to HK$5.4 million (2013: HK$3.8 million) and marketing, promotion and travelling expenses increased by 27.1% to HK$8.9 million (2013: HK$7.0 million).

Contingent Liabilities and Guarantees

The Group had an un-utilised bank facility of HK$65.9 million as at 30 June 2014 and the facility was secured by the pledged deposits of approximately HK$26.0 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$95.7 million as at 30 June 2014 (31 December 2013: HK$70.5 million). Saved as disclosed above, we had no material contingent liabilities and guarantees.

Contractual and Capital Commitments

As at 30 June 2014, the Group had operating leases commitments of approximately HK$17.7 million (31 December 2013: HK$19.6 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 2014, the Group had 303 full-time employees (31 December 2013: 231). 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 funds to provide for retirement or similar benefits for its employees. The staff costs incurred for the period were approximately HK$45.9 million (2013: HK$28.0 million).

USE OF PROCEEDS FROM THE LISTING

The shares of the Company have been listed on the Main Board of Hong Kong Stock Exchange since 16 January 2012 (the "**Listing**"). The Company received net proceeds raised from the Listing of approximately HK$65.0 million.

The use of net proceeds until 30 June 2014 was as below:

	Planned Amount *HK$ million*	**Utilised Amount** *HK$ million*	**Un-utilised Amount** *HK$ million*
Expansion of service network in China, Asia and Europe *(Note 1)*	19.5	19.5	—
Expansion of portfolio of air cargo routes	13.0	5.0	8.0
Development of e-platform booking system	13.0	2.1	10.9
Establishment of logistics hub centers in China	9.8	0.3	9.5
Upgrade of management information system	3.2	0.9	2.3
General working capital *(Note 1)*	6.5	6.5	—
Total	**65.0**	**34.3**	**30.7**

Note 1: The actual utilised amount exceeds the planned amount and the exceeded portion was funded from other internal sources of the Group.

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 Logistics 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 2014 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, the independent non-executive Director, Dr. Zhang Xianlin was engaged in other meeting and did not attend the annual general meeting of the Company held on 20 May 2014.

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, one regular meeting of the Audit Committee has been held.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK0.7 cents per ordinary share in respect of the Period, payable on 23 October 2014 to Shareholders whose names appear on the register of members of the Company as at the close of business on 7 October 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 6 October 2014 to Tuesday, 7 October 2014 (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 Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m on Friday, 3 October 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its shares during the period from 1 January 2014 to 30 June 2014. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period from 1 January 2014 to 30 June 2014.

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 Logistics Holdings Limited (formerly known as 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
"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 Logistics Holdings Limited
Yu Ho Yuen, Sunny
Chairman

Hong Kong, 25 August 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.