



A-SONIC AEROSPACE LIMITED  
Regn. No. 200301838G

**STILL ON SGX WATCH LIST BECAUSE WE HAVE NOT  
ACHIEVED A MARKET CAPITALISATION OF S\$40 MILLION**

A-Sonic Aerospace Limited (the "**Company**") and its subsidiaries (the "**Group**") wishes to announce that:

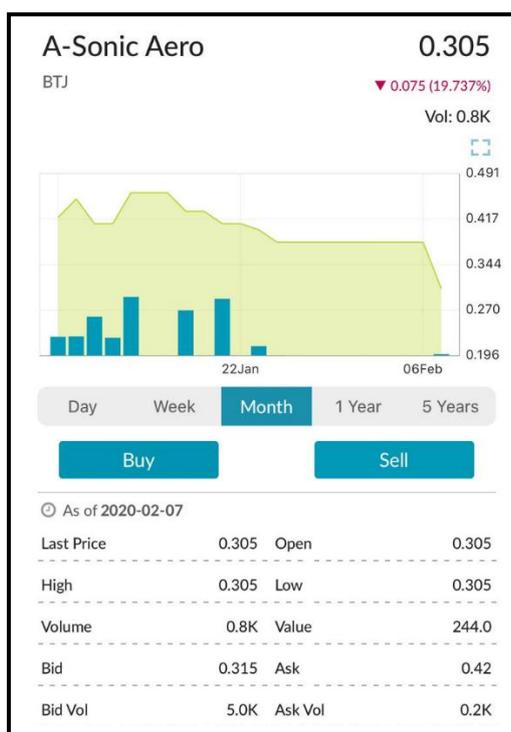
- (i) the Group has been profitable for the last two (2) financial years, since the financial year ("**FY**") ended 31 December 2018 ("**FY 2018**"), and the twelve (12) months ended 31 December 2019 ("**FY 2019**");
- (ii) the Company's volume weighted price was \$0.34 per share over the last six (6) months since the date of this announcement, which is above the Singapore Stock Exchange SGX watch list requirement of \$0.20 per share;
- (iii) the Group's net worth measured by "Equity Attributable to Equity holders of the Company" ("**NTA**" or "**Net Book Value**") was equivalent to S\$40.160 million (or US\$29.821 million) as at 31 December 2019; and
- (iv) the Company's share price as at the date immediately preceding this announcement was trading at discount of 54.1% below our Group's Net Book Value per share as at 31 December 2019.

Despite being profitable for the last two (2) financial years in FY 2018 and FY 2019, with volume weighted average price of S\$0.34 per share for the last six (6) months since the date of this announcement, and Net Book Value of S\$40.160 million as at 31 December 2019, we are still on the SGX watch list. This is solely because we have not achieved an average daily market capitalization of S\$40 million.

**In view of the above, we highlight the situation and caution shareholders and potential investors accordingly.**

Management endeavours to strive for our economic sustainability and financial strength – taking all steps and measures to navigate through the turbulent economic conditions. We had attempted to: (i) restructure our business and operations, especially an entity which is incurring losses; and (ii) increase productivity.

In contrast, our market capitalization is highly correlated to the liquidity of our share trading price. The following illustration extracted from the SGX website, indicated that a trade of only 800 shares for the entire one day on 7 February 2020 resulted in a decline of 7.5 cents (19.7%) in share price, which is equivalent to wiping off approximately \$4.386 million (or 19.7%) of our market capitalization:



Making it even worse, potential share investors will stay on the sideline due to concerns with the watch-list status and potential delisting, despite improved financial performance and position. Fund managers and investors are either unable, unwilling, or unlikely, to invest in a Company with the “watch list” stigma. Hence, an unenviable situation to achieve a market capitalization of S\$40 million, even though our Net Book Value stood at S\$40.160 million as at 31 December 2019.

**Update on Financial Results**

	FY 2018	FY 2019	Change +/- (Percentage)
(i) Profit Before Tax (US\$'000) :	812	3,481	+328.7%
(ii) Profit After Tax (US\$'000) :	630	3,107	+393.2%
(iii) Net Profit Attributable to Equity Shareholders (US\$'000) :	1,481	2,533	+71.0%
(iv) Earnings Per Share ("EPS") (Equivalent S\$ cents) <sup>(1)</sup> :	3.4	5.9	+73.5%
(v) Net Tangible Assets (Attributable to Equity Holders of the Company) ("NTA") (US\$'000) :	27,676	29,821	+7.8%
(Equivalent S\$'000) :	37,758 <sup>(2)</sup>	40,160 <sup>(3)</sup>	+6.4%
(vi) NTA/share (S\$ cents) :	64.6	68.7	+6.3%
(vii) Historical Price Earnings Ratio (Historical) <sup>(4)</sup> :	9.3	5.3	N.A. <sup>(6)</sup>
(viii) Share Price at Discount to NTAB <sup>(5)</sup> :	51.2%	54.1%	N.A. <sup>(6)</sup>

**Note:**

(1) Based on "Profit After Tax Attributable to Equity Holders of the Company" FY 2018 and FY2019.

(2) Based on foreign currency exchange rate on 31 December 2018 (US\$1=S\$1.3643).

(3) Based on foreign currency exchange rate on 31 December 2019 (US\$1=S\$1.3467).

(4) Share price was based on the closing market price of S\$0.315 on 27 February 2020, the date immediately preceding this announcement, and earning was based on "Profit After Tax Attributable to the Equity Holders of the Company".

(5) Share price was based on closing market price of S\$0.315 on 27 February 2020, the date immediately preceding this announcement.

(6) N.A. = Not applicable

A summary of the performance of each business unit is tabulated below:

Business Unit Performance	"Profit Attributable to Equity Holders of the Company" for 12 months ended 31 December 2018 ("FY 2018")	"Profit Attributable to Equity Holders of the Company" for 12 months ended 31 December 2019 ("FY 2019")
(i) Aviation business unit :	US\$1.268 million	US\$0.097 million
(ii) "A-Sonic Logistics" business unit :	US\$1.082 million	US\$1.971million
(iii) "UBI Logistics" business unit :	(US\$0.869 million)	US\$ 0.465million
Consolidated A-Sonic Group :	US\$1.481million	US\$2.533million

The Company was placed on the watch-list on 5 June 2017 as the Company recorded:

- (i) pre-tax losses for financial year ("FY") 2015, FY 2016 and FY 2017 (based on audited full year consolidated accounts) and an average daily market

capitalization of less than S\$40 million over the last 6 months (“**Financial Entry Criteria**”); and

- (ii) a volume weighted average price of less than S\$0.20 and an average daily market capitalization of less than S\$40 million over the last 6 months (“**MTP Entry Criteria**”).

### **Action Taken**

We will continue to: (i) restructure our business and operations; and (ii) increase productivity. As for increasing market illiquidity, this is to a large extent beyond the Company’s control as earlier elaborated on page 2.

### **Further Material Development**

The Company will make immediate announcement in the event there is any material development.

### **About Us**

A-Sonic Aerospace Limited and its subsidiaries (the “**A-Sonic Group**” or the “**Group**”) are engaged in two areas of businesses, aviation and logistics. We operate in 29 cities in 16 countries, spanning four (4) continents in Asia, North America, Sub-Continent India and Europe. Our staff strength was approximately 700 personnel as at 31 December 2019.

Our aviation business relates to the sale and purchase of aircraft and aircraft engines.

Our logistics business relates to supply chain management services and logistic solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and airport ground services.

ISSUED BY ORDER OF THE BOARD

Loo Keat Choon  
Joint Company Secretary

28 February 2020