



A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

**NET BOOK VALUE OF S\$47.4 MILLION AS AT 30 JUNE 2020,
BUT ON SGX WATCH LIST
OWING TO MARKET CAPITALISATION
BELOW S\$40 MILLION**

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

- (i) the Group's net worth measured by "Equity Attributable to Equity holders of the Company" ("**NTA**" or "**Net Book Value**") was equivalent to S\$47.416 million (or US\$33.975 million) as at 30 June 2020;
- (ii) the Group has been profitable for the last thirty (30) months, since the financial year ("**FY**") ended 31 December 2018 ("**FY 2018**"), and FY ended 31 December 2019 ("**FY 2019**"), and six (6) months ended 30 June 2020 ("**1H 2020**"); and
- (iii) the Company's share price as at the date immediately preceding this announcement was trading at discount of 68.6% below our Group's Net Book Value per share as at 30 June 2020.

We are still on the SGX watch list, solely because we have not achieved an average daily market capitalization of S\$40 million. In this regard, potential share investors may still 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.

Management can only strive for our economic sustainability and financial strength – taking all steps and measures to navigate and manage through the turbulent economic conditions. We attempt to: (i) restructure our business and operations, especially any entity operating under "A-Sonic Logistics" brand name which incurs losses; and (ii) increase productivity.

In contrast, our market capitalization is highly correlated to the liquidity of our share trading price and the market's perception of our networth of S\$14.912 million as at 11 August 2020, despite our net book value of \$47.416 million as at 30 June 2020.

Update on Financial Results

		FY 2018 (12 months)	FY 2019 (12 months)	1H 2020 (6 months)
(i) Profit Before Tax (US\$'000)	:	812	3,481	5,148
(Equivalent S\$'000)	:	1,095 ⁽¹⁾	4,744 ⁽²⁾	7,208 ⁽³⁾
(ii) Profit After Tax (US\$'000)	:	630	3,107	5,101
(Equivalent S\$'000)	:	850 ⁽¹⁾	4,235 ⁽²⁾	7,142 ⁽³⁾
(iii) Net Profit Attributable to Equity Shareholders (US\$'000)	:	1,481	2,533	4,840
(Equivalent S\$'000)	:	1,997 ⁽¹⁾	3,452 ⁽²⁾	6,776 ⁽³⁾
(iv) Earnings Per Share ("EPS") (Equivalent S\$ cents) ⁽⁴⁾	:	3.4	5.9	11.6
(v) Net Tangible Assets (Attributable to Equity Holders of the Company) ("NTA") (US\$'000)	:	27,676	29,821	33,975
(Equivalent S\$'000)	:	37,758 ⁽¹⁾	40,160 ⁽²⁾	47,416 ⁽³⁾
(vi) NTA/share (S\$ cents)	:	64.6 ⁽¹⁾	68.7 ⁽²⁾	81.1 ⁽³⁾
(vii) Historical Price Earnings Ratio (Historical) ⁽⁵⁾	:	7.5	4.3	N.A. ⁽⁶⁾
(viii) Share Price at Discount to NTAB ⁽⁷⁾	:	60.5%	62.9%	68.6
(ix) Bank Gearing Ratio	:	19.6%	21.9%	8.8%

Note:

(1) Based on foreign currency exchange rate on 31 December 2018 (End rate at US\$1=S\$1.3643 & Ave rate at US\$1= S\$1.3486).

(2) Based on foreign currency exchange rate on 31 December 2019 (End rate at US\$1=S\$1.3467 & Ave rate at US\$1= S\$1.3629).

(3) Based on foreign currency exchange rate on 30 June 2020 (End rate at US\$1=S\$1.3956 & Ave rate at US\$1= S\$1.4001).

(4) Based on "Profit After Tax Attributable to Equity Holders of the Company" FY 2018, FY2019 and 1H 2020.

(5) Share price was based on the closing market price of S\$0.255 on 11 August 2020, and earning was based on "Profit After Tax Attributable to the Equity Holders of the Company".

(6) N.A. = Not applicable

(7) Share price was based on closing market price of S\$0.255 on 11 August 2020.

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”)	“Profit Attributable to Equity Holders of the Company” for 6 months ended 30 June 2020 (“1H 2020”)
(i) Aviation business unit :	US\$1.268 million	US\$0.097 million	(US\$0.518 million)
(ii) “A-Sonic Logistics” business unit :	US\$1.082 million	US\$1.971 million	US\$5.094 million
(iii) “UBI Logistics” business unit :	(US\$0.869 million)	US\$ 0.465 million	US\$0.264 million
Consolidated A-Sonic Group :	US\$1.481million	US\$2.533 million	US\$4.840 million

Extension of Cure Time Grant

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

On 30 June 2020, we had announced that the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) had approved the extension application of the cure period to 4 June 2021. The SGX-ST’s approval is subject to the following:

- a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of announcement, the Company must make an update announcement when the conditions have all been met; and
- b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors’ decision which has yet to be announced by the Company.

As earlier stated, the Company is still in the SGX watch-list solely because we have not satisfied the requirement of an average daily market capitalization of S\$40 million over the last 6 months. This is despite:

- (i) our consolidated net book value (i.e. net tangible assets) stood at S\$47.4 million as at 30 June 2020; and
- (ii) being profitable for the last 30 months in FY 2018, FY 2019 and 1H 2020.

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 1.

In our attempt to increase the market liquidity of our share trading, we had submitted an application to the SGX-ST to seek approval for a waiver of Rule 838.

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 650 personnel as at 30 June 2020.

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

11 August 2020