A-SONIC AEROSPACE LIMITED

PART I - INFORMATION REQUIRED FOR QUARTERLY RESULTS ANNOUNCEMENTS

FULL YEAR FINANCIAL STATEMENTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED INCOME STATEMENT
For the fourth quarter and full financial year ended 31 December 2010

	Group			Group		
	4th quarter ended			Full year ended		
	31 Dec 2010	31 Dec 09	*Change*	**31 Dec 2010**	31 Dec 09	*Change*
	US$'000	US$'000	*%*	**US$'000**	US$'000	*%*
Turnover	**74,332**	58,945	*26.1*	**269,016**	155,244	*73.3*
Other revenue	**946**	353	*168.0*	**9,409**	1,442	*552.5*
Total revenue	**75,278**	59,298	*26.9*	**278,425**	156,686	*77.7*
Expenses						
Changes in inventories	**(368)**	1,119	*N/M*	**(1,374)**	(747)	*83.9*
Purchases of goods and consumables used	**(4,671)**	(1,906)	*145.1*	**(5,957)**	(1,568)	*279.9*
Freight charges	**(63,054)**	(50,713)	*24.3*	**(239,776)**	(133,846)	*79.1*
Staff costs	**(4,973)**	(3,407)	*46.0*	**(16,947)**	(13,479)	*25.7*
Depreciation of property, plant and equipment	**(187)**	(194)	*(3.6)*	**(669)**	(641)	*4.4*
Finance costs	**(53)**	(91)	*(41.8)*	**(243)**	(352)	*(31.0)*
Share of results of associates	**196**	400	*(51.0)*	**492**	508	*(3.1)*
Other operating expenses	**(101)**	(3,697)	*(97.3)*	**(2,184)**	(9,160)	*(76.2)*
Total costs and expenses	**(73,211)**	(58,489)	*25.2*	**(266,658)**	(159,285)	*67.4*
Profit/(Loss) before tax	**2,067**	809	*155.5*	**11,767**	(2,599)	*N/M*
Taxation	**56**	809	*(93.1)*	**(292)**	442	*N/M*
Net profit/(loss) for the period/year	**2,123**	1,618	*31.2*	**11,475**	(2,157)	*N/M*
Profit/(Loss) attributable to:						
Owners of the parent	**2,053**	1,520		**11,215**	(1,715)	
Non-controlling interests	**70**	98		**260**	(442)	
	2,123	1,618		**11,475**	(2,157)	
Other items :						
Commission income	**96**	88	*9.1*	**334**	726	*(54.0)*
Interest income	**45**	19	*136.8*	**150**	122	*23.0*
Gain on sale of of property, plant and equipment	**5**	13	*(61.5)*	**8**	11	*(27.3)*
Gain on termination of distribution contract	**-**	-	-	**8,000**	-	*100.0*
Allowance for doubtful trade receivables written back	**44**	157	*(72.0)*	**883**	1,213	*(27.2)*
Allowance for doubtful non-trade receivables written back	**266**	-	*100.0*	**262**	-	*100.0*
Allowance for doubtful trade receivables	**-**	(1,508)	*(100.0)*	**(439)**	(2,087)	*(79.0)*
Allowance for doubtful non-trade receivables	**-**	(280)	*(100.0)*	**-**	(279)	*(100.0)*
Bad non-trade receivables written off	**-**	**-**	-	**(20)**	-	*100.0*
Bad trade receivables written off	**(10)**	-	*100.0*	**(24)**	(48)	*(50.0)*
Bad trade receivables recovered	**-**	548	*(100.0)*	**-**	3	*(100.0)*
Foreign currency exchange gain/(loss)	**1,501**	(615)	*N/M*	**4,539**	(786)	*N/M*
Inventory written off	**(25)**	(360)	*(93.1)*	**(25)**	(360)	*(93.1)*
Loss on disposal of associates	**-**	-		**(8)**	-	*100.0*
Rental expenses	**(602)**	(404)	*49.0*	**(2,048)**	(1,635)	*25.3*
Provision for restructuring costs	**-**	-	-	**-**	(335)	*(100.0)*
Provision for restructuring costs written back	**358**	**-**	*100.0*	**358**	125	*186.4*

N/M: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the fourth quarter and full financial year ended 31 December 2010

	Group			Group		
	4th quarter ended			Full year ended		
	31 Dec 2010 US$'000	31 Dec 09 US$'000	*Change %*	31 Dec 2010 US$'000	31 Dec 09 US$'000	*Change %*
Net profit / (loss) for the period/year	2,123	1,618	*31.2%*	11,475	(2,157)	*N/M*
Other comprehensive (loss) / income:						
Foreign currency translation differences attributable to:						
Owners of the parent	(878)	292	*N/M*	(3,186)	562	*N/M*
Non-controlling interests	-	113	*-100.0%*	(166)	128	*N/M*
Other comprehensive (loss)/income for the period/year, net of tax	(878)	405	*N/M*	(3,352)	690	*N/M*
Total comprehensive income / (loss) for the period/year	1,245	2,023	*-38.5%*	8,123	(1,467)	*N/M*
Total comprehensive income / (loss) attributable to:						
Owners of the parent	1,175	1,812		8,029	(1,153)	
Non-controlling interests	70	211		94	(314)	
	1,245	2,023		8,123	(1,467)	

N/M: Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets
At 31 December 2010

	Group		Company	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	US$'000	US$'000	US$'000	US$'000
Non-current assets				
Property, plant and equipment	6,570	5,362	-	-
Investment in subsidiaries	-	-	1,870	8,051
Investment in associates	650	579	-	-
Deferred tax assets	137	20	-	-
	7,357	5,961	1,870	8,051
Current assets				
Inventories	588	1,962	-	-
Trade and other receivables	44,497	41,626	4	4
Due from subsidiaries	-	-	47,550	38,119
Due from associates	1,359	910	-	-
Tax recoverable	183	186	-	-
Cash and cash equivalents	30,080	20,360	9,975	4,792
	76,707	65,044	57,529	42,915
Total assets	84,064	71,005	59,399	50,966
Non-current liabilities				
Deferred tax liabilities	122	61	-	-
	122	61	-	-
Current liabilities				
Trade and other payables	28,647	28,868	692	202
Bank term loans	9,141	9,221	390	1,979
Provision for restructuring costs	382	695	-	-
Tax payable	569	448	53	91
	38,739	39,232	1,135	2,272
Total liabilities	38,861	39,293	1,135	2,272
Net assets	45,203	31,712	58,264	48,694
Equity				
Share capital	51,775	40,384	51,775	40,384
Accumulated (losses) / profits	(660)	(12,280)	6,442	1,835
Share option reserve	47	40	47	40
Foreign currency translation reserve	(6,889)	2,732	-	6,435
Attributable to:				
Owners of the parent	44,273	30,876	58,264	48,694
Non-controlling interests	930	836	-	-
Total equity	45,203	31,712	58,264	48,694

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

At 31 December 2010		At 31 December 2009	
Secured US$'000	**Unsecured US$'000**	Secured US$'000	Unsecured US$'000
2,927	**6,214**	7,242	1,979

Amount repayable after one year

At 31 December 2010		At 31 December 2009	
Secured US$'000	**Unsecured US$'000**	Secured US$'000	Unsecured US$'000
0	**0**	0	0

Details of any collateral

The Group's borrowings are secured by corporate guarantee given by the Company and a floating charge over the assets of the logistics business.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the fourth quarter and full financial year ended 31 December 2010

	4th quarter ended		Full year ended	
	31 Dec 10	31 Dec 09	**31 Dec 10**	31 Dec 09
	US$'000	US$'000	**US$'000**	US$'000
Cash flows from operating activities				
Profit / (Loss) before tax	**2,067**	809	**11,767**	(2,599)
Adjustments for:				
Interest income	**(45)**	(19)	**(150)**	(122)
Allowance for doubtful non-trade receivables	**(266)**	280	**-**	279
Allowance for doubtful non-trade receivables written back	**-**	-	**(262)**	-
Bad non-trade receivables written-off	**-**	-	**20**	-
Depreciation of property, plant and equipment	**187**	196	**669**	665
Interest expenses	**53**	91	**243**	352
Loss on sale of associates	**-**	-	**8**	-
Gain on sale of property, plant and equipment	**(5)**	(13)	**(8)**	(11)
Provision for restructuring costs	**-**	-	**-**	335
Provision for restructuring costs written back	**(358)**	-	**(358)**	(125)
Share of results of associates	**(196)**	(400)	**(492)**	(508)
Effect of foreign exchange rate changes	**(2,578)**	97	**(4,734)**	4
Operating cash flows before changes in working capital	**(1,141)**	1,041	**6,703**	(1,730)
Inventories	**367**	286	**1,374**	747
Receivables	**3,998**	(12,534)	**515**	(9,704)
Payables	**(4,449)**	8,711	**(3,076)**	7,098
Cash (used in)/from operations	**(1,225)**	(2,496)	**5,516**	(3,589)
Income tax paid	**(18)**	612	**(231)**	(689)
Net cash (used in)/from operating activities	**(1,243)**	(1,884)	**5,285**	(4,278)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	**6**	13	**16**	-
Proceeds from sale of associates	**-**	-	**73**	-
Interest income	**45**	19	**150**	122
Purchase of property, plant and equipment	**(1,195)**	(190)	**(1,766)**	(622)
Purchase of shares in associates	**-**	-	**(40)**	-
Dividend received from associates	**-**	333	**414**	333
Effect of foreign exchange rate changes	**(32)**	24	**66**	72
Net cash (used in)/from investing activities	**(1,176)**	199	**(1,087)**	(95)
Cash flows from financing activities				
Proceeds from issuance of new shares, net	**2,434**	-	**5,368**	-
Proceeds from bank term loans	**795**	4,873	**4,850**	7,390
Repayment of finance lease liabilities	**-**	-	**-**	(4)
Repayment of bank term loans	**(1,046)**	(7,405)	**(5,496)**	(8,734)
Repayment of receivable on disposal of subsidiary	**-**	2	**194**	246
Dividend paid	**-**	-	**-**	(829)
Interest expenses	**(53)**	(398)	**(243)**	(403)
Effect of foreign exchange rate changes	**36**	(205)	**115**	(137)
Net cash from / (used in) financing activities	**2,166**	(3,133)	**4,788**	(2,471)
Net (decrease)/increase in cash and cash equivalents	**(253)**	(4,818)	**8,986**	(6,844)
Cash and cash equivalents at beginning of period	**30,080**	24,970	**20,360**	26,644
Effect of foreign exchange rate changes	**253**	208	**734**	560
Cash and cash equivalents at end of period/year	**30,080**	20,360	**30,080**	20,360
Cash and cash equivalents are represented by:				
Bank and cash balances	**29,861**	20,360	**29,861**	20,360
Fixed deposits	**219**	-	**219**	-
	30,080	20,360	**30,080**	20,360

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity; or
(ii) Changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity
For the fourth quarter and full financial year ended 31 December 2010

THE GROUP	Share capital US$'000	Accumulated losses US$'000	Share option reserve US$'000	Foreign currency translation reserve US$'000	Total attributable to owners of the parent US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2010							
- as reported	40,384	(12,280)	40	2,732	30,876	836	31,712
- effect on change of functional currency	6,023	405	7	(6,435)	-	-	-
Restated opening balance	46,407	(11,875)	47	(3,703)	30,876	836	31,712
Total comprehensive income / (loss) for the period	-	6,799	-	(181)	6,618	(76)	6,542
At 31 March 2010	46,407	(5,076)	47	(3,884)	37,494	760	38,254
Total comprehensive (loss) / income for the period	-	(999)	-	472	(527)	89	(438)
At 30 June 2010	46,407	(6,075)	47	(3,412)	36,967	849	37,816
Total comprehensive income / (loss) for the period	-	3,362	-	(2,599)	763	11	774
Issuance of new shares pursuant to exercise of bonus warrants	2,953	-	-	-	2,953	-	2,953
Expenses on bonus warrants and issuance of shares pursuant to exercise of bonus warrants	(19)	-	-	-	(19)	-	(19)
At 30 September 2010	49,341	(2,713)	47	(6,011)	40,664	860	41,524
Total comprehensive income / (loss) for the period	-	2,053	-	(878)	1,175	70	1,245
Issuance of new shares pursuant to exercise of bonus warrants	2,485	-	-	-	2,485	-	2,485
Expenses on bonus warrants and issue of shares pursuant to exercise of bonus warrants	(51)	-	-	-	(51)	-	(51)
At 31 December 2010	51,775	(660)	47	(6,889)	44,273	930	45,203

Consolidated Statement of Changes in Equity
For the fourth quarter and full financial year ended 31 December 2009

THE GROUP	Share capital	Accumulated losses	Share option reserve	Foreign currency translation reserve	Total attributable to owners of the parent	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2009	40,384	(9,736)	40	2,170	32,858	1,150	34,008
Total comprehensive income / (loss) for the period	-	413	-	(1,601)	(1,188)	(50)	(1,238)
At 31 March 2009	40,384	(9,323)	40	569	31,670	1,100	32,770
Total comprehensive (loss) / income for the period	-	(2,809)	-	1,286	(1,523)	(405)	(1,928)
Dividend paid	-	(829)	-	-	(829)	-	(829)
At 30 Jun 2009	40,384	(12,961)	40	1,855	29,318	695	30,013
Total comprehensive (loss) / income for the period	-	(839)	-	585	(254)	(70)	(324)
At 30 September 2009	40,384	(13,800)	40	2,440	29,064	625	29,689
Total comprehensive income for the period	-	1,520	-	292	1,812	211	2,023
At 31 December 2009	40,384	(12,280)	40	2,732	30,876	836	31,712

Statement of Changes in Equity
For the fourth quarter and full financial year ended 31 December 2010

THE COMPANY	Share capital US$'000	Accumulated profits US$'000	Share option reserve US$'000	Foreign currency translation reserve US$'000	Total equity US$'000
At 1 January 2010					
- as reported	40,384	1,835	40	6,435	48,694
- effect on change of functional currency	6,023	405	7	(6,435)	-
Restated opening balance	46,407	2,240	47	-	48,694
Total comprehensive income for the period	-	193	-	-	193
At 31 March 2010	46,407	2,433	47	-	48,887
Total comprehensive income for the period	-	142	-	-	142
At 30 June 2010	46,407	2,575	47	-	49,029
Total comprehensive income for the period		511			511
Issuance of new ordinary shares pursuant to exercise of bonus warrants	2,953	-	-	-	2,953
Expenses on bonus warrants and issuance of ordinary shares pursuant to exercise of bonus warrants	(19)	-	-	-	(19)
At 30 September 2010	49,341	3,086	47	-	52,474
Total comprehensive income for the period	-	3,356	-	-	3,356
Issuance of new ordinary shares pursuant to exercise of bonus warrants	2,485	-	-	-	2,485
Expenses on bonus warrants and issuance of ordinary shares pursuant to exercise of bonus warrants	(51)	-	-	-	(51)
At 31 December 2010	51,775	6,442	47	-	58,264

Statement of Changes in Equity
For the fourth quarter and full financial year ended 31 December 2009

THE COMPANY	Share capital US$'000	Accumulated profits US$'000	Share option reserve US$'000	Foreign currency translation reserve US$'000	Total equity US$'000
At 1 January 2009	40,384	2,799	40	5,366	48,589
Total comprehensive income / (loss) for the period	-	1,771	-	(2,727)	(956)
At 31 March 2009	40,384	4,570	40	2,639	47,633
Total comprehensive (loss) / income for the period	-	(1,222)	-	2,272	1,050
Dividend paid	-	(829)	-	-	(829)
At 30 Jun 2009	40,384	2,519	40	4,911	47,854
Total comprehensive (loss) / income for the period	-	(499)	-	1,105	606
At 30 September 2009	40,384	2,020	40	6,016	48,460
Total comprehensive (loss) / income for the period	-	(185)	-	419	234
At 31 December 2009	40,384	1,835	40	6,435	48,694

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Company	No. of shares	US$
Issued share capital as at 1 Jan 2010		
- as reported	492,259,308	40,384,458
- effect on change of functional currency	-	6,022,807
Restated opening balance at 1 Jan 2010, 31 Mar 2010 and 30 Jun 2010	492,259,308	46,407,265
Issuance of new shares each at S$0.0325 per share pursuant to the bonus warrants issue of the Company	123,373,541	2,952,584
Expenses on bonus warrant issues and issuance of new shares pursuant to the exercise of bonus warrants	-	(18,616)
Issued share capital as at 30 Sep 2010	615,632,849	49,341,233
Issuance of new shares each at S$0.0325 per share pursuant to the bonus warrants issue of the Company	100,270,780	2,485,433
Expenses on bonus warrant issues and issuance of new shares pursuant to the exercise of bonus warrants	-	(51,633)
Issued share capital as at 31 Dec 2010	715,903,629	51,775,033
Issued share capital as at 1 Jan 2009, 31 Mar 2009, 30 Jun 2009, 30 Sep 2009 and 31 Dec 2009	492,259,308	40,384,458

Share capital

During the fourth quarter period ended 31 December 2010 ("4Q 2010"), the Company issued 100,270,780 ordinary shares at S$0.0325 each pursuant to the exercise of bonus warrants by the warrant holders. These newly issued shares ranked pari passu in all respect with the existing shares of the Company.

Outstanding Warrants

As at 31 December 2010, there were no unissued ordinary shares in the Company. Any unexercised warrants under the bonus warrant had all expired on 30 December 2010 after 5.00 p.m., the specified expiry date of the bonus warrants.

In the financial year ended 31 December 2009, the Company did not issue any warrant. As at 31 December 2009, there was no outstanding warrant.

Share Options

As at 31 December 2010, the Company has the following outstanding share options:

Security	Exercise Price	Balance at 01.10.10	Balance at 31.12.10
Employee Share Option			
(a) Incentive Option [(1)]	S$0.314	64,000	64,000
(b) Market Option [(2)]	S$0.349	61,000	61,000
		125,000	125,000

As at 31 December 2009, the Company has the following outstanding share options:

Security	Exercise Price	Balance at 01.10.09	Balance at 31.12.09
Employee Share Option			
(a) Incentive Option [(1)]	S$0.314	64,000	64,000
(b) Market Option [(2)]	S$0.349	61,000	61,000
		125,000	125,000

Notes:

(1) The Incentive Options were issued at a discount of 10% of the market price* prevailing at the date of the grant of the options.

(2) The Market Options were issued at the market price* prevailing at the date of the grant of the options.

Sub-note:

* The price equal to the average of the last dealt price for the share of the Company on the Singapore Exchange Securities Trading Limited over the five (5) consecutive trading days immediately preceding the date of the grant.

1d(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at 31 December 2010 was 715,903,629.
As at 31 December 2009, the total number of issued shares (excluding treasury shares) was 492,259,308.

1d(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as there were no treasury shares issued by the Company.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2009.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well the reasons for, and the effect of, the change.

The Group and the Company have applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2009, except for the following:

The Company changed its functional currency from Singapore dollars ("SGD") to United States dollars ("USD") at the beginning of the financial year (with effect from 1 January 2010). The reason for the change is to measure its transactions using the currency of the primary economic environment in which the Company operates in ("functional currency"). Accordingly, the Company changed its functional currency from SGD to USD and this change has been applied prospectively.

The comparative figures of the Company's previous financial year "Balance Sheets" {on page 3 item 1(b)(ii)}, and its "Statement of changes in equity" for corresponding period of the immediately preceding financial year {on page 7 item 1(d)(ii)} were measured using SGD which was the functional currency then, and presented in the financial statements in USD.

The Group anticipates that the adoption of these FRSs and INT FRSs (where applicable) in future periods will have no material impact on the financial statements of the Company and the consolidated financial statements of the Group except for FRS 27 and FRS 103 as indicated below.

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FRS 27 (revised) Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)

FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group would apply FRS 27 (revised) prospectively to transactions with non-controlling interests from 1 January 2010.

FRS 103 (revised) Business Combinations (effective for annual periods beginning on or after 1 July 2009)

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to acquire a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group would apply FRS 103 (revised) prospectively to all business combinations from 1 January 2010.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	4th quarter ended		Full year ended	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
Net profit / (loss) attributable to owners of the parent (US$'000)	2,053	1,520	11,215	(1,715)
a) Basic earnings / (loss) per share based on weighted average number of ordinary shares (US cents)	0.32	0.31	2.09	(0.35)
Weighted average number of shares in issue during the period (in '000)	637,643	492,259	537,165	492,259
b) Diluted earnings per share based on weighted average number of ordinary shares (US cents)	0.28	N/A	1.95	N/A
Weighted average number of shares in issue and potential shares assuming full conversion of bonus warrants (in '000)	737,257	N/A	575,168	N/A

N/A: Not applicable

None of the outstanding "Share options" described in paragraph 1(d)(ii) on page 10 was exercised. As at 31 December 2010, 125,000 share options were excluded from the diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		**Company**	
	31 December 2010 [2]	31 December 2009 [3]	**31 December 2010** [2]	31 December 2009 [3]
Net asset value per share based on existing issued share capital at the end of period/year (US cents) [1]	**6.31**	6.44	**8.14**	9.89

Notes:

[1] The above computation of net asset value per share includes non-controlling interests. Excluding non-controlling interests, the net asset value per share for the Group as at 31 December 2010 and 31 December 2009 would have been 6.18 US cents and 6.27 US cents per share respectively.

[2] Computed based on 715,903,629 ordinary shares in issue.

[3] Computed based on 492,259,308 ordinary shares in issue.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.

OVERVIEW ON OUR BUSINESS

A-Sonic Aerospace Limited and its subsidiaries (the "A-Sonic Group" or the "Group") are engaged in two areas of businesses, aerospace engineering-related business and logistics. Currently, we operate in 34 cities and in 14 countries, spanning across four (4) continents in Asia, Sub-Continent India, Europe and North America. We have total staff strength of over 680 personnel as at 31 December 2010.

We supply aircraft systems and components to airlines and aviation maintenance repair organizations. Subject to the market condition in the aviation industry, we may also be engaged in the purchase, sale, and lease of aircraft. In addition, we provide aviation training, with particular focus on aviation maintenance, operations and safety.

Our logistics business has four (4) complementary business segments. The first business segment provides supply chain management services. We specialize in many aspects of logistic solutions, including international and domestic multi-modal transportation, warehousing, distribution, and customs clearance. The second segment provides airport ground services for cargo and transportation services. In our third business segment, we act as an exclusive air cargo general sales agent for several international airlines. Our fourth business segment relates to education and training relating to transportation and commerce.

OVERVIEW FOR THE FINANCIAL YEAR 2010

We finished 2010 with positive momentum.

We stayed true to our belief. Even during the two toughest economic contractions in 2008 and 2009, and the most uncertain of times, we remained resolute that we should invest in our business for future sustainable growth.

By sticking to our strategy, we emerged stronger in 2010. Yet, we are acutely aware that this is no time for complacency. We must execute exceptionally well in this current tenuous and volatile times. Our basic challenge is to balance the financial with the strategic. It is to produce the short-term results that will enable us to pursue long-term growth objectives.

On the aviation front, we took a bold step to prioritize our efforts in 2010. We had divested an aerospace component distribution contract, and invested in three single aisle airframes, each of which accommodates up to 172 seats. After retrofitting works and fitting with engines in 2011, which is estimated to cost an aggregate of US$5.8 million, each of the three aircraft shall be available for wet or dry lease to regional airline operators. This will re-position the group for aircraft maintenance and management program in 2011. On a different front, the aviation training centre obtained CAAS SAR-147 MTO approval from the Civil Aviation Authority of Singapore in September 2010.

Since we acquired the logistics business in December 2006, we continued to build a network across 14 countries. With over 660 staff, we handled operations in 34 cities spanning across four (4) continents in Asia, Sub-Continent India, North America and Europe.

We have started to re-shape the logistics business model to include international and domestic multi-modal transportation, customs clearance, warehousing and distribution. We strive to help customers to stay focused on what they do best by taking over tasks such as managing inventories, order fulfillment and reverse logistics so that they can concentrate on their core business. In providing such value added services, we offer customers: (i) easy access to customized solutions; (ii) facilitate the discovery of new growth beyond their domestic borders; and (iii) facilitate international trade for our customers.

We believe that our continued efforts to extend system capabilities to support internal operations that are linked to key customers, suppliers, vendors, agents and warehouse distribution centers within one integrated platform will be the foundation to help us stand out from our competitors.

Despite the heightened focus on cost control in 2010, there was no question that we would continue to make strategic investments. We knew we could not afford to abandon this priority, and we did not. Not only did we sharpen our strategic focus, we strengthened our network by venturing into Sub-Continent India and established our first office in Bangalore, India. We also commenced nationwide customs clearance business in the United States of America to complement our logistics unit. Another investment we made was into the fourth party logistics ("4 PL") in Kuala Lumpur, Malaysia. The distribution center is operated using our proprietary warehouse management system.

Sterling Campus, our education and training for transportation and commerce, was registered with the Council of Private Education and became an approved Accredited School of The International Air Transport Association ("IATA") in 2010. This achievement is possibly the first of its kind in Singapore and the region – a logistic industry player that believes in continuing professional courses for the industry participants.

FINANCIAL PERFORMANCE IN 2010

Income Statement

Revenue

FY 2010 v FY 2009

The A-Sonic Group registered "Total Revenue" of US$278.425 million for the financial year ended 31 December 2010 ("FY 2010"). "Total Revenue" increased US$121.739 million (77.7%) to US$278.425 million in FY 2010, compared to US$156.686 million for the financial year ended 31 December 2009 ("FY 2009").

Our "Total Revenue" comprised two components "Turnover" and "Other Revenue".

We registered a "Turnover" of US$269.016 million in FY 2010, an increase of 73.3% (US$113.772 million), compared to US$155.244 million in FY 2009. Aerospace engineering-related business contributed to 1.3% of the Group's "Turnover". The other 98.7% was generated from logistics business. The increase in "Turnover" was largely due to the better economic conditions in 2010 compared to 2009.

Despite a decline of US$1.912 million in the "Turnover" of our aerospace engineering-related business in FY 2010, our Group's "Turnover" increased US$113.772 million primarily due to the increase of US$115.684 million in the logistics "Turnover". The logistics business registered an increase of 77.2% in "Turnover" in FY 2010 in two aspects. Higher business volume was recorded for two business segments, namely, logistics and air cargo management. Our offices in Asia and the United States of America recorded an improvement in "Turnover" largely due to the economic recovery in 2010.

"Other Revenue" increased US$7.967 million to US$9.409 million in FY 2010. Aerospace engineering-related business contributed to US$8.128 million and logistics business contributed to US$1.281 million. Approximately 98.4% of "Other Revenue" generated from the aerospace engineering-related business was due to the realization of an aerospace component distribution contract. "Other Revenue" of the logistics business resulted largely from provision for restructuring cost written back, commission income, management service fees from our associated companies, and interest income.

4th Qtr 2010 v 4th Qtr 2009

"Total Turnover" for the three months ended 31 December 2010 ("4Q 2010") increased 26.9% (US$15.980 million) to US$75.278 million compared to US$59.298 million for the three months ended 31 December 2009 (4Q 2009).

"Total Turnover" derived from the aerospace engineering-related business declined US$1.356 million to US$1.164 million in 4Q 2010. The contraction was largely due to lower "Turnover", which resulted from a lower volume of aerospace component and aircraft systems sold. However, the decline was more than offset by the increase in the "Total Turnover" generated from the logistics business.

The logistics business recorded a "Total Turnover" of US$74.114 million in 4Q 2010, an increase of US$17.336 million compared to 4Q 2009. Logistics "Total Turnover" increased in 4Q 2010 mainly attributable to an increase of US$16.757 million in logistics "Turnover" generated from both Asia and the United States of America. The logistics "Turnover" in 4Q 2010 contributed to approximately 27.6% of the logistics "Turnover" in FY 2010. "Other revenue" derived from the logistics business was US$0.914 million in 4Q 2010, an increase of US$0.579 million, compared to US$0.335 million in 4Q 2009. The increase principally resulted from provision for restructuring cost written back and higher sundry income.

4th Qtr 2010 v 3rd Qtr 2010

In 4Q 2010, we recorded a "Total Turnover" of US$75.278 million compared to US$72.222 million in 3Q 2010. "Total Turnover" in 4Q 2010 was US$3.056 million higher than our 3Q 2010. Of the "Total Turnover" of US$75.278 million in 4Q 2010, "Turnover" comprised 98.7% or US$74.332 million of the "Total Turnover". "Other Revenue" constituted only 1.3% or US$0.758 million of the "Total Turnover".

Aerospace engineering-related business constituted approximately 1.6% and 0.6% of the Group's "Total Turnover" in 4Q 2010 and 3Q 2010, respectively. The logistics business constituted approximately 98.5% and 99.4% of "Total Turnover" in 4Q 2010 and 3Q 2010, respectively. In the 4Q 2010, the logistics business unit completed an acquisition and sale of a tanker vessel. The sale of the vessel amounted to US$4.677 million, which was in the ordinary course of business of one of its subsidiary joint venture company as announced on 13 August 2010.

Costs and expenses

FY 2010 v FY 2009

"Total costs and expenses" increased US$107.373 million (67.4%) to US$266.658 million in FY 2010 compared to US$159.285 million in FY 2009.

Our "Total costs and expenses" comprised three main cost components:

(i) "Changes in inventories" and "Purchases of goods and consumables used" that relate to the sale of aerospace systems and components. In FY 2010, however, our logistics business had completed the acquisition and sale of a tanker vessel. The cost of acquiring the tanker vessel was included in the "Purchases of goods and consumables used" because the trading of vessel was one of the businesses of one of our subsidiary joint venture company that was announced on 13 August 2010. The aggregate of "Changes in inventories" and "Purchases of goods and consumables used" amounted to US$7.331 million in FY 2010 compared to US$2.315 million in FY 2009. In FY 2010, "Changes in inventories" and "Purchases of goods and consumables used" combined constituted 2.7% of our Group's "Total costs and expenses";

(ii) "Freight charges" that relates to our logistics business. More specifically, these include payments to airline and ocean carriers, on-land transportation service providers, customs clearance fees, and direct handling charges to complete our door-to-door logistic services. We incurred "Freight charges" of US$239.776 million in FY 2010 compared to US$133.846 million in FY 2009. The higher "Freight charges" resulted from our higher logistics "Turnover" as described in the above section entitled "Revenue". Our "Freight charges" constituted 89.9% of our Group's "Total costs and expenses'" in FY 2010 compared to 84.0% in FY 2009;

(iii) "Staff costs" amounted to US$16.947 million in FY 2010 compared to US$13.479 million in FY 2009. This cost component constituted 6.4% and 8.5% of the Group's "Total cost and expenses in FY 2010 and FY 2009, respectively. The increase in "Staff costs" was largely attributable to additional staff count in FY 2010 for the aviation training business as well as the logistics training business, accrual for performance bonuses to be paid out for targets achieved, and new staff recruitment for our logistics business.

Of the above three cost components, the increase of US$105.930 million in "Freight charges" contributed to the increase of US$107.373 million in our Group's "Total costs and expenses" in FY 2010. As a result of the higher "Freight charges", the logistics business posted lower gross margin of 8.0% in FY 2010 compared to 10.7% in FY 2009.

The above increases in our "Changes in inventories", "Purchases of goods and consumables used", "Freight charges", and "Staff costs" were partially pared by our reduction in "Other operating expenses". In FY 2010, we incurred US$2.184 million of "Other operating expenses", compared to US$9.160 million in FY 2009. The reduction in "Other operating expenses" was primarily due to:

(i) A gain in foreign exchange of US$4.539 million in FY 2010 compared to a loss of US$0.786 million in FY 2009. Logistics business contributed to approximately 80.0% of the gain in foreign exchange in FY 2010, largely as a result of the depreciation of US dollars against SG dollars;

(ii) Lower "Allowance for doubtful trade receivables" of US$0.439 million in FY 2010 compared to US$2.087 million in FY 2009. The "Allowance for doubtful trade receivables" was higher in 2009 owing to the then weaker economic conditions. With the gradual economic recovery in 2010, we have since collected the debts.

4th Qtr 2010 v 4th Qtr 2009

"Total costs and expenses" increased US$14.722 million to US$73.211 million in 4Q 2010 compared to US$58.489 million in 4Q 2009. The reasons for the increase in "Total costs and expenses" in 4Q 2010 compared to 4Q 2009 were similar to those described in the preceding section comparing the year-on-year basis.

Increases in "Changes in inventories", "Purchases of goods and consumables used", "Freight charges" and "Staff costs" were the main reasons for higher costs in 4Q 2010. Each cost component is described below:

(i) "Changes in inventories" and "Purchases of goods and consumables used" combined increased US$4.252 million to US$5.039 million in 4Q 2010 largely attributable to our logistics business completing the acquisition and sale of a tanker vessel. The cost of acquiring the tanker vessel was included in "Purchases of goods and consumables used" because the trading of vessel was one of the businesses of one of our subsidiary joint venture company that was announced on 13 August 2010;

(ii) We incurred "Freight charges" of US$63.054 million in 4Q 2010 compared to US$50.713 million in 4Q 2009. The higher "Freight charges" resulted from our higher logistics "Turnover" as described in the above section entitled "Revenue". Our "Freight charges" constituted 86.1% and 86.7% of our Group's "Total costs and expenses'" in 4Q 2010 and 4Q 2009, respectively;

(iii) "Staff costs" amounted to US$4.973 million in 4Q 2010 compared to US$3.407 million in 4Q 2009. This cost component constituted 6.8% and 5.8% of the Group's "Total cost and expenses in 4Q 2010 and 4Q 2009, respectively. The increase in "Staff costs" was largely attributable to the additional staff count in 4Q 2010 for the aviation training business as well as the logistics training business, accrual for performance bonuses to be paid out for targets achieved, and the higher head count for the logistics business.

Of the above three cost components, the increase of US$12.341 million in "Freight charges" contributed to the increase of US$14.722 million in our Group's "Total costs and expenses" in 4Q 2010. As a result largely of the higher "Freight charges", the logistics business posted lower gross margin of 7.7% in 4Q 2010 compared to 10.2% in 4Q 2009.

The above increases in our "Changes in inventories", "Purchases of goods and consumables used", "Freight charges", and "Staff costs (including directors' remuneration)" were partially pared by our reduction in "Other operating expenses" primarily due to:

(i) A gain in foreign exchange of US$1.505 million in 4Q 2010 compared to a loss of US$0.615 million in 4Q 2009. Logistics business contributed to approximately 78.1% of the gain in foreign exchange in 4Q, largely as a result of the depreciation of US dollars against SG dollars; and

(ii) US$1.508 million in "Allowance for doubtful trade receivables" in 4Q 2009 owing to the weaker economic conditions in 2009, but none in 4Q 2010.

4th Qtr 2010 v 3rd Qtr 2010

"Total costs and expenses" increased US$4.628 million to US$73.211 million in 4Q 2010 compared to US$68.583 million in 3Q 2010 largely attributable to:

(i) "Changes in inventories" and "Purchases of goods and consumables used" combined increased US$4.710 million to US$5.039 million in 4Q 2010 compared to US$0.329 million in 3Q 2010 largely attributable to our logistics business completing the acquisition and sale of a tanker vessel in 4Q 2010; and

(ii) "Staff costs (including directors' remuneration)" amounted to US$4.973 million in 4Q 2010 compared to US$4.060 million in 3Q 2010. The increase in "Staff costs" was largely attributable to additional staff count in 4Q 2010 and the accrual of performance bonus to be paid out for targets achieved.

The above increases in our "Changes in inventories" and "Purchases of goods and consumables used" and "Staff costs" were partially pared by our reduction of US$3.190 million in "Freight charges" in 4Q 2010. In 4Q 2010, we incurred "Freight charges" of US$63.054 million compared to US$66.244 million in 3Q 2010. The lower "Freight charges" were largely due to the softer freight rates in 4Q 2010.

Gross profits

FY 2010 v FY 2009

We registered a "Gross profit" of US$21.909 million in FY 2010, an increase of US$2.826 million (14.8%), compared to US$19.083 million in FY 2009. "Gross profit" was calculated as "Turnover" less "Changes in inventories", "Purchases of goods and consumables used" and "Freight charges". Of the US$21.909 million "Gross profit", aerospace engineering-related business generated US$0.715 million gross profit in FY 2010, a decrease of US$2.413 million (77.1%) compared to US$3.129 million gross profit in FY 2009. Logistics business generated US$21.193 million (96.7%) of gross profit, an increase of US$5.239 million (32.8%) compared to US$15.954 million gross profit in FY 2009. The increase in logistics gross profit was largely attributable to the higher "Turnover" of US$265.484 million in FY 2010, compared to US$149.800 million in FY 2009.

4th Qtr 2010 v 4th Qtr 2009

We recorded gross profit of US$6.239 million in 4Q 2010, a decrease of US$1.206 million (16.2%) from US$7.445 million gross profit in 4Q 2009. Of the US$6.239 million gross profit, aerospace engineering-related business generated US$0.610 million gross profit, a decrease of US$1.105 million from US$1.715 million gross profit in 4Q 2009. Logistics business contributed US$5.629 million gross profit, a decrease of US$0.101 million from US$5.730 million gross profit recorded in 4Q 2009. Despite an increase of US$16.757 million in logistics "Turnover" in 4Q 2010, gross profit declined largely owing to lower margins resulting from the softer global freight rates.

4th Qtr 2010 v 3rd Qtr 2010

We posted gross profit of US$6.239 million in 4Q 2010, an increase of US$0.745 million (13.6%) compared to the US$5.494 million gross profit in 3Q 2010. Both the aviation engineering-related business and the logistics business recorded higher gross profit of US$0.537 million and US$0.208 million, respectively.

Net profit

FY 2010 v FY 2009

The Group registered profit before tax of US$11.767 million in FY 2010, compared to loss before tax of US$2.599 million in FY 2009. The profit was largely attributable to: (i) "Other revenue" generated from the aviation engineering-related business, which resulted from a realized gain of US$8.000 million for the termination of a distribution contract; and (ii) "Foreign exchange gain" of US$4.539 million, which was principally due to the weaker US dollars relatively to SG dollars. In addition, the US dollars was softer compared to the other Asian currencies where we operate, especially the Chinese Yuan.

With a tax expense of US$0.292 million, we recorded net profit attributable to owners of the parent (excluding non-controlling interests) of US$11.215 million in FY 2010, compared to net loss attributable to owners of the parent (excluding non-controlling interests) of US$1.715 million in FY 2009.

4th Qtr 2010 v 4th Qtr 2009

We registered profit before tax of US$2.067 million in 4Q 2010, compared to US$0.809 million in 4Q 2009. The profit before tax of US$2.067 million in 4Q 2010 was largely as a result of higher "Foreign exchange gain" of US$2.120 million. After a tax income of US$0.056 million, we registered net profit attributable to owners of the parent (excluding non-controlling interests) of US$2.053 million in 4Q 2010, compared to US$1.520 million in 4Q 2009.

4th Qtr 2010 v 3rd Qtr 2010

The Group recorded profit before tax of US$2.067 million in 4Q 2010, compared to US$3.639 million in 3Q 2010. The lower profit before tax was largely attributable to lower "Foreign exchange gain" of US$1.505 million in 4Q 2010. With a tax income of US$0.056 million, we registered net profit attributable to owners of the parent (excluding non-controlling interests) of US$2.053 million in 4Q 2010, compared to US$3.362 million in 3Q 2010.

Balance Sheet

Non-current assets

The Group's "Non-current assets" stood at US$7.357 million as at 31 December 2010 ("FY 2010"), compared to US$5.961 million as at 31 December 2009 ("FY 2009"). The US$1.396 million increase in "Non-current assets" was mainly due to an increase of US$1.208 million in "Property, plant and equipment" to US$6.570 million as at the end of FY 2010, compared to US$5.362 million as at the end of FY 2009.

Current assets

"Current assets" increased US$11.663 million to US$76.707 million as at 31 December 2010, compared to US$65.044 million as at the end of FY 2009, largely owing to: (i) US$2.871 million increase in "Trade and other receivables" to US$44.497 million as at 31 December 2010, compared to US$41.626 million as at the end of FY 2009; and (ii) US$9.720 million increase in "Cash and cash equivalents" (comprised of "Cash and bank balances" and "Fixed deposits"), largely as a result of the realization of the termination of an aviation distribution contract and the net proceeds from the issuance of new shares by the Company pursuant to the exercise of bonus warrants in FY 2010. The increase in "Current assets" was however partially offset by a reduction of US$1.374 million in "Inventories".

Non-current liabilities

"Non-current liabilities", which comprised of "Deferred tax liabilities", increased US$0.061 million to US$0.122 million as at 31 December 2010 compared to US$0.061 million as at 31 December 2009.

Current liabilities

"Current liabilities" decreased US$0.493 million to US$38.739 million as at 31 December 2010 compared to US$39.232 million as at the end of FY 2009, largely due to a decrease of US$0.323 million in "Trade and other payables" and a reduction of US$0.313 million in "Provision for restructuring costs". The reduction was however partially off-set by a US$0.121 million increase in "Tax payable" in FY 2010.

Net assets

Our Group's net asset value (excluding non-controlling interest) stood at US$44.273 million as at 31 December 2010, or an equivalent of US cents of 6.18 per share (equivalent to Singapore cents of 7.93 per share), compared to US$30.876 million as at the end of FY 2009. Net asset value (excluding non-controlling interest) increased US$13.397 million, largely owing to a decrease in "Accumulated losses" due to profits recorded in financial year ended 31 December 2010.

Equity

"Share capital" increased US$11.391 million to US$51.775 million as at 31 December 2010, compared to US$40.384 million as at the end of FY 2009, owing to the following reasons:

(i) With effect from 1 January 2010, the Company changed its functional currency from Singapore dollars ("SGD") to United States dollars ("USD"). The effect on change of functional currency from SGD to USD resulted in an increase of $6.023 million in the "Share capital". The rationale for the change in the functional currency was to measure its transactions using the currency of the primary economic environment in which the Company operates in ("functional currency").

The "Share capital" of US$40.384 million as at the end of FY 2009 was the accumulation of translated amounts (from SGD to USD) at prior years' exchange rates (i.e. historical rates at different transaction dates). Between 1 January 2003 and 1 January 2010 (the effective date of change in the functional currency), the USD had depreciated against SGD by approximately 19.0%. In this connection, it should be noted that the Company was incorporated on 3 March 2003; and

(ii) US$5.368 million of net proceeds received from the issuance of new shares of the Company upon the exercises of bonus warrants by the warrant holders during the financial year ended 31 December 2010.

The Group's "Accumulated losses" reduced US$11.620 million to US$0.660 million as at 31 December 2010, compared to US$12.280 million as at the end of FY 2009. The US$11.431 million decrease in "Accumulated losses" was due to: (a) US$0.405 million arising from the effect on change of functional currency as described in the immediately preceding paragraph (i) above; and (b) US$11.026 million net profit recorded in the financial year ended 31 December 2010.

Our "Capital reserve" increased US$0.007 million to US$0.047 million as at 31 December 2010 from US$0.040 million as at the end of FY 2009 directly from the effect on change of functional currency as described above.

The Group's "Foreign currency translation reserve" reduced US$9.621 million to a negative reserve of US$6.889 million as at 31 December 2010, compared to a positive reserve of US$2.732 million as at the end of FY 2009. Of the US$9.621 million reduction, US$6.435 million was due to the effect on change of functional currency as described above.

Gearing ratio

The Group's gearing ratio based on bank borrowings to net asset value (excluding non-controlling interest) stood at 20.6% as at 31 December 2010 compared to 29.9% and as at the end of FY 2009.

Cash Flow

FY 2010 vs FY 2009

"Operating cash flow before movements in working capital" generated in FY 2010 was US$6.703 million, compared to that use of US$1.730 million in FY 2009. The increase in "Operating cash flow before movements in working capital" used was largely owing to profit before tax of US$11.767 million in FY 2010, compared to loss before tax of US$2.599 million in FY 2009. The profit before tax was however partially off-set with a US$4.738 million higher in "Effect of foreign exchange rate changes" used.

In FY 2010, movements in working capital items recorded were as follows: (i) cash generated from "Inventories" and "Receivables" of US$1.374 million and US$0.515 million respectively; and cash used in "Payables" of US$3.076 million.

After income tax paid of US$0.231 million in FY 2010, we recorded net cash from operating activities of US$5.285 million, compared to net cash used in operating activities of US$4.278 million in FY 2009.

"Net cash used in investing activities" amounted to US$1.087 million in FY 2010, compared to US$0.095 million in FY 2009. The US$0.992 million increase in net cash used in investing activities was largely due to higher US$1.144 million used in the purchase of property, plant and equipment.

"Net cash from financing activities" generated in FY 2010 was US4.788 million, compared to that used of US$2.471 million in FY 2009. The US$7.259 million increase in net cash from investing activities was largely attributable to: (i) US$5.368 million in net proceeds received from the issuance of new shares pursuant to the exercise of bonus warrants by the Company's warrant holders in FY 2010; (ii) US$0.829 million decrease in dividend paid by the Company as there was none paid in FY 2010; and (iii) higher net proceeds from bank term loans of US$0.698 million.

4th Qtr 2010 vs 4th Qtr 2009

"Operating cash flow before movements in working capital" used in 4Q 2010 was US$1.141 million, compared to that generated of US$1.041 million in 4Q 2009. The higher "Operating cash flow before movements in working capital" used was largely owing to U$2.675 million higher in "Effect of foreign exchange rate changes" used in 4Q 2010. The higher "Effect of foreign exchange rate changes" was however partially off-set with a US$1.258 million higher in "Profit before tax" in 4Q 2010 compared to 4Q 2009.

In 4Q 2010, movements in working capital items recorded were as follows: (i) cash generated from "Inventories" and "Receivables" of US$0.367 million and US$3.998 million respectively; and cash used in "Payables" of US$4.449 million.

After income tax paid of US$0.018 million in 4Q 2010, we recorded net cash used in operating activities of US$1.243 million, compared to US$1.884 million in 4Q 2009.

"Net cash used in investing activities" amounted to US$1.176 million in 4Q 2010, compared to that generated of US$0.199 million in 4Q 2009. The increase in cash generated was largely due to higher US$1.005 million used in the purchase of property, plant and equipment, and dividends received from associates of US$0.333 million in 4Q 2009, whilst there was none in 4Q 2010.

"Net cash from financing activities" generated in 4Q 2010 was US$2.166 million, compared to that used of US$3.133 million in 4Q 2009. The US$5.299 million increase in net cash from financing activities was largely due to the US$2.434 million in net proceeds received from the issuance of new shares pursuant to the exercise of bonus warrants by the Company's warrant holders in 4Q 2010, whilst there was none in 4Q 2009, and US$2.281 million higher in net proceeds from bank term loans.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may effect the group in the next reporting period and the next 12 months.

Although we finished financial year 2010 with positive momentum, we are acutely aware that this is no room for complacency in this current tenuous and volatile times. Our basic challenge is to balance the financial with the strategic. It is to produce the short-term results that will enable us to pursue long-term growth objectives.

The 2011 year started on several uncertain economic notes. The political upheaval in the Middle East has sparked concerns over the stability of the region. The looming debt crisis in smaller European states adds to the global turmoil. Extreme weather in various parts of the world has caused havoc to agriculture. The initial trigger driving inflation has been commodities, particularly food and agricultural prices. The second-round effect of higher food prices has been the demand for higher wages, particularly in Asia and the emerging markets. One key macro-economic factor that would shape the global economic dynamics in 2011 is the ongoing battle of The People's Republic of China to tame inflation. Another is how well the United States' economy is recovering.

While we believe that the economy is not all unremittingly gloomy, under the current backdrop, we must execute exceptionally well. We therefore remain cautious and envisage a challenging year ahead.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	First and Final	Total
Dividend Type	Cash	Cash
Dividend Amount per ordinary share (S$)	0.125 cents (one-tier tax exempt)	0.125 cents (one-tier tax exempt)
Tax rate	NA	NA

NA: not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

The date payable is to be determined.

(d) Book closure date.

The book closure date is to be determined.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business Segments - Group

	Aviation engineering -related		Logistic services		Air cargo management services		Consolidated	
	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000
Turnover from reportable segments	3,532	5,444	255,418	136,055	26,417	21,710	285,367	163,209
Interest income	442	259	63	55	10	1	515	315
Finance costs	62	18	855	655	-	-	917	673
Depreciation of property, plant and machinery	71	70	577	558	21	13	669	641
Reportable segment profit/(loss)	7,784	1,486	3,276	(4,302)	706	217	11,766	(2,599)
Other material non-cash items:								
Allowance for doubtful trade trade receivables-third parties	-	-	439	2,087	-	-	439	2,087
Allowance for doubtful trade receivables written back	-	-	(883)	(1,213)	-	-	(883)	(1,213)
Allowance for doubtful non-trade receivables	-	-	-	254	-	25	-	279
Allowance for doubtful non-trade receivables written back	-	-	(266)	-	-	-	(266)	-
Inventory written off	25	360	-	-	-	-	25	360
Provision for restructuring costs	-	-	-	335	-	-	-	335
Provision for restructuring costs written back	-	-	(358)	(125)	-	-	(358)	(125)
Segment assets	62,826	52,386	207,495	181,818	13,356	12,609	283,677	246,813
Expenditure in non-current assets								
- Property, plant and equipment	1,152	20	599	558	15	44	1,766	622
- Investment in associated companies (unallocated)							40	85 -
Segment liabilities	3,391	6,108	206,651	184,764	9,536	9,552	219,578	200,424

Business Segments – Group (cont'd)

Reconciliation of reportable segment turnover, profit/(loss) before tax, assets, liabilities, and other material items

		FY 2010	FY 2009
		US$'000	US$'000
i)	**Turnover**		
	Total turnover for reportable segments	**285,367**	163,209
	Elimination of intrasegments turnover	**(16,342)**	(7,955)
	Elimination of intersegments turnover	**(9)**	(10)
	Total group's turnover	**269,016**	155,244
2)	**Profit/(Loss) before tax**		
	Total loss before tax for reportable segments	**11,767**	(2,599)
	Eliminations on consolidation	**-**	-
	Total group's loss before tax	**11,767**	(2,599)
3)	**Assets**		
	Total assets for reportable segments	**283,677**	246,813
	Eliminations on consolidation	**(199,613)**	(175,808)
	Total group's assets	**84,064**	71,005
4)	**Liabilities**		
	Total liabilities for reportable segments	**219,578**	200,424
	Eliminations on consolidation	**(180,717)**	(161,131)
	Total group's liabilities	**38,861**	39,293

5) **Other material items**	Reportable segment totals US$'000	Consolidation eliminations US$'000	Group's totals US$'000
FY 2010			
Interest income	**515**	**(365)**	**150**
Finance costs	**917**	**(674)**	**243**
FY 2009			
Interest income	315	(193)	122
Finance costs	673	(321)	352

Geographical Segments - Group

	Turnover for reportable segments		Non-current assets reportable segments	
	FY 2010 US$'000	FY 2009 US$'000	**FY 2010 US$'000**	FY 2009 US$'000
Asia	**242,424**	145,178	**7,053**	5,698
Others	**42,943**	18,031	**167**	243
Total	**285,367**	163,209	**7,220**	5,941

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

In terms of business segmentation, aviation engineering-related business contributed to approximately 1.2% of our group's turnover, and logistics business contributed the balance 98.8% of total reportable segments turnover.

15. A breakdown of sales as follows:

		Full year ended 31 Dec 2010 US$'000	Full year ended 31 Dec 2009 US$'000	*% increase*
a)	Sales reported for the first half year	**122,616**	56,892	*115.5%*
b)	Operating profit/(loss) after tax before deducting non-controlling interest for first half year	**5,810**	(2,866)	*N/M*
c)	Sales reported for the second half year	**146,400**	98,352	*48.9%*
d)	Operating profit after tax before deducting non-controlling interest for second half year [(1)]	**5,665**	709	*N/M*

N/M : not meaningful

16. A breakdown of the total annual dividend (in dollar value) for the issuer's paid in the latest full year and its previous full year.

Total Annual Dividend

	Latest full year FY 2010 US$	Previous full year FY 2009 US$
Ordinary	-	829,284

BY ORDER OF THE BOARD

Oh Seok Boon
Joint Company Secretary

27 February 2011