

**THE PROPOSED CONSOLIDATION OF EVERY THREE (3) SHARES
INTO ONE (1) CONSOLIDATED SHARE**

**1. THE PROPOSED CONSOLIDATION OF EVERY THREE (3) SHARES INTO ONE (1)
CONSOLIDATED SHARE**

1.1. INTRODUCTION

The board of Directors (the "**Board**") of A-Sonic Aerospace Limited (the "**Company**") wishes to announce that the Company proposes to undertake a share consolidation (the "**Proposed Share Consolidation**") of every three (3) ordinary shares in the issued share capital of the Company (the "**Shares**") registered in the name of each shareholder of the Company ("**Shareholder**") as at a books closure date to be determined by the Directors (the "**Books Closure Date for the Proposed Share Consolidation**") into one (1) consolidated share (the "**Consolidated Share**").

1.2. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The SGX-ST introduced a minimum trading price for Mainboard-listed stocks of S\$0.20 as a continuing listing requirement (the "**MTP Requirement**") with effect from 2 March 2015. A one-time transition period of 12 months from the date of introduction of the minimum trading price requirement will be given to affected issuers to undertake corporate actions to meet the new requirement and the first assessment for compliance will be on 1 March 2016.

Pursuant to the new MTP requirement, issuers which are not able to record a six-month VWAP of its shares ("**6-month VWAP**") of S\$0.20 or above on 1 March 2016 and at any of the subsequent quarterly review dates (the "**MTP Entry Criterion**") will be placed on the watch-list. Affected issuers will be provided a cure period of 36 months to take remedial actions. Affected issuers which fail to take remedial actions during the cure period may be delisted from the Mainboard.

For the past six (6) months between July 2015 to December 2015 ("**Relevant Period**") prior to the Company making this announcement on the Proposed Share Consolidation, the absolute price of the Shares had traded between 15.2 and 30.5 Singapore cents. The highest and lowest market prices, and the transacted volume of the Shares traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") during the Relevant Period were as follows:

	Lowest (Singapore cents)	Highest (Singapore cents)	Volume of traded shares ('000)	Percentage fluctuation between the lowest and highest market price (%)
July 2015	18.0	23.0	503	27.78
August 2015	15.2	19.3	177	26.97
September 2015	16.1	30.0	820	86.34
October 2015	20.5	28.0	1,632	36.59
November 2015	20.0	25.0	1,578	25.00
December 2015	24.0	30.5	2,696	27.08

Source: SGX-ST

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding, and the trading price per Consolidated Share should theoretically be proportionally higher than the trading price per Share prior to the Proposed Share Consolidation.

Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this paragraph 1.2, nor is there assurance that such results (if achieved) can be sustained in the longer term.

1.3 DETAILS

Under the Proposed Share Consolidation, every three (3) Shares registered in the name of each Shareholder as at the Books Closure Date for Proposed Share Consolidation will be consolidated into one (1) Consolidated Share.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date for Proposed Share Consolidation, will be ROUNDED DOWN TO THE NEAREST WHOLE CONSOLIDATED SHARES AND ANY FRACTIONS OF CONSOLIDATED SHARES ARISING FROM THE PROPOSED SHARE CONSOLIDATION WILL BE DISREGARDED. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.

As at 7 January 2016, the Company has an issued share capital of S\$72,451,650 divided into 175,565,370 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of S\$72,451,650 divided into approximately 58,521,790 Consolidated Shares.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Company and its subsidiaries.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the extraordinary general meeting ("EGM"), Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date for Proposed Share Consolidation.

The Proposed Share Consolidation is not expected to cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to fractional rounding.

1.4. APPROVALS

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the SGX-ST's approval for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST; and
- (b) the Shareholders' approval for the Proposed Share Consolidation being obtained at an EGM of the Company to be convened.

An application will be made to the SGX-ST for permission for dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

2. CIRCULAR

Subject to approval from, SGX-ST, a circular setting out, amongst other things, details of the Proposed Share Consolidation and enclosing a notice convening an EGM to seek Shareholders' approval of the Proposed Share Consolidation, will be despatched to Shareholders in due course.

3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

ISSUED BY ORDER OF THE BOARD

Quek Ying Chui
Joint Company Secretary

8 January 2016