A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

RESPONSE TO SGX-ST'S QUERY REGARDING TRADING ACTIVITY

The Board of Directors of A-Sonic Aerospace Limited (the "**Company**") wishes to inform shareholders that it had received queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Queries**") in relation to unusual trading activity on 17 March 2021. The Board wishes to respond to the Queries as follows:

SGX Query 1

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.
- If yes, the information shall be announced immediately.

Company's response 1

The Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which, if known, might explain the trading.

SGX Query 2

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company's Response 2

We are not aware of any information that had not previously been announced on 1 March 2021, in relation to our "Full Year Results Announcement" for the financial year ended 31 December 2020 ("**FY2020**") (hereafter referred to as "**Results**").

The possible explanations could be the following:

(a) The market has taken some time to evaluate, assess and understand the business activities of the Company and its subsidiaries (the "**A-Sonic Group**");

(b) After evaluation and assessment, the market might have particularly taken into consideration the following in our **Results**:

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"Despite having to navigate through the perfect storm in financial year ("**FY**") 2020, our business performance ended on a positive note."

"Our financial position, measured by our consolidated "Net Assets (Excluding Non-Controlling Interest)" or "Net Book Value", strengthened 21.5% to US$36.241 million (or equivalent to S$47.914 million) as at 31 December 2020."

"Our Group has achieved **profits and paid / declared dividends for the last three (3) years consecutive FYs (*emphasis in bold added*)**, and the financial highlights are summarized below:

			FY 2018	FY 2019	FY 2020
(i)	Profit Before Tax (**US$'000**)	:	812	3,481	**7,920**
	(**Equivalent S$'000**)	:	1,095[1]	4,744[2]	**10,907[3]**
(ii)	Profit After Tax (**US$'000**)	:	630	3,107	**7,638**
	(**Equivalent S$'000**)	:	850[1]	4,235[2]	**10,518[3]**
(iii)	Net Profit Attributable to Equity Holders of the Company (**US$'000**)	:	1,481	2,533	**6,327**
	(**Equivalent S$'000**)	:	1,997[1]	3,452[2]	**8,713[3]**
(iv)	Earnings Per Share ("EPS") (**Equivalent S$ cents**)[4]	:	3.4	5.9	**14.9**
(v)	Net Assets (Attributable to Equity Holders of the Company) ("NA") (**US$'000**)	:	27,676	29,821	**36,241**
	(**Equivalent S$'000**)	:	37,758[1]	40,160[2]	**47,914[3]**
(vi)	Net Assets/share (**S$ cents**)	:	64.6[1]	68.7[2]	**81.9[3]**
(vii)	Historical Price Earnings Ratio (Historical)[5]	:	10.3	5.9	**2.3**
(viii)	Share Price at Discount to NA[6]	:	45.8%	49.1%	**57.3%**
(ix)	Bank Gearing Ratio (Bank borrowing)	:	15.1%	14.4%	**4.8%**

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 31 December 2020 (End rate at US$1=S$1.3221 & Ave rate at US$1= S$1.3771).
(4) Based on "Net Profit After Tax Attributable to Equity Holders of the Company" FY 2018, FY2019 and FY 2020.
(5) Share price was based on the closing market price of S$0.350 on 1 March 2021, and earning was based on "Net Profit After Tax Attributable to the Equity Holders of the Company".
(6) ***Share price was based on closing market price of S$0.350 on 1 March 2021.***

(II) In addition, it is a possibility that the market might have taken into account the following:

(i) The earnings per share ("**EPS**") equivalent to S$ cents of 14.9 in FY2020, would translate into an price/earnings ratio ("**PE**") of only 4.3 x (times), even if based on the trading high of S$0.64 on 17 March 2021;

(ii) Even at the trading high of S$0.64 on 17 March 2021, this still represented a discount of 21.9% from the net assets/shares of S$0.819;

(iii) Our Group's Net Assets (Attributable to Equity Holders of the Company) stood at S$47.914 million as at 31 December 2020, higher than the Company's current market capitalization of approximately S$35.379 million as at 17 March 2021;

(iv) The Group's bank gearing ("bank borrowing") stood at a prudent level of only 4.8%, at US$1.755 million, as at 31 December 2020; and

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"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 670 personnel as at 31 December 2020."

"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." (*emphasis in bold added*)

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"Excluding the US$1.872 million losses of our aviation business unit in FY 2020:

(i) our operating profit before tax would have been US$9.792 million; and

(ii) our operating profit before tax (excluding non-recurrent items) would have been US$3.575 million (S$4.923 million). **The resilience of our portfolio of logistics activities was in part due to our essential services to our customers who are engaged in the global supply chain." (*emphasis in bold added*)**

SGX Query 3

Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

Company's Response 3

The Company confirms that it is in compliance with the listing rules and, in particular, Mainboard Rule 703.

ISSUED BY ORDER OF THE BOARD

Loo Keat Choon
Joint Company Secretary
17 March 2021