

A-SONIC AEROSPACE LIMITED

PART I - INFORMATION REQUIRED FOR QUARTERLY AND FULL YEAR RESULTS ANNOUNCEMENTS

THIRD QUARTER FINANCIAL STATEMENTS

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

CONSOLIDATED INCOME STATEMENT

For the third quarter and nine months period ended 30 September 2015

	Group			Group		
	Third quarter ended			9 months period ended		
	30 Sep 15	30 Sep 14	Change	30 Sep 15	30 Sep 14	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Turnover	47,699	65,989	(27.7)	150,011	176,717	(15.1)
Other revenue	2,516	1,336	88.3	4,020	3,034	32.5
Total revenue	50,215	67,325	(25.4)	154,031	179,751	(14.3)
Expenses						
Changes in inventories	(10)	222	N/M	(47)	689	N/M
Purchases of goods and consumables used	(950)	(616)	54.2	(1,568)	(2,458)	(36.2)
Freight charges	(41,389)	(59,182)	(30.1)	(132,820)	(157,274)	(15.5)
Staff costs	(4,308)	(4,950)	(13.0)	(13,270)	(14,712)	(9.8)
Depreciation of property, plant and equipment	(291)	(273)	6.6	(844)	(794)	6.3
Finance costs	(70)	(108)	(35.2)	(220)	(289)	(23.9)
Share of results of associates	68	75	(9.3)	136	233	(41.6)
Share of results of joint venture	3	(60)	N/M	184	166	10.8
Other operating expenses	(2,825)	(2,543)	11.1	(7,759)	(6,267)	23.8
Total costs and expenses	(49,772)	(67,435)	(26.2)	(156,208)	(180,706)	(13.6)
Profit/(loss) before tax	443	(110)	N/M	(2,177)	(955)	N/M
Taxation	57	(17)	N/M	32	(36)	N/M
Profit/(loss) for the period	500	(127)	N/M	(2,145)	(991)	N/M
Profit/(loss) attributable to:						
Equity holders of the Company	598	135	N/M	(1,502)	4	N/M
Non-controlling interests	(98)	(262)	(62.6)	(643)	(995)	(35.4)
	500	(127)	N/M	(2,145)	(991)	N/M
Other items :						
Commission income	-	-	-	12	44	(72.7)
Interest income	(154)	77	N/M	55	186	(70.4)
Finance lease interest	222	301	(26.2)	742	959	(22.6)
(Loss)/gain on disposal of property, plant and equipment	(1)	47	N/M	(3)	47	N/M
Restructuring provision written back	-	280	(100.0)	-	280	(100.0)
Gain on disposal of a joint venture	2,089	-	N/M	2,089	-	N/M
Allowance for doubtful trade receivables written back	9	56	(83.9)	32	133	(75.9)
Allowance for doubtful non-trade receivables written back	170	-	N/M	-	-	-
Allowance for doubtful trade receivables	(252)	(85)	N/M	(661)	(133)	N/M
Bad debts written back/(written off)	-	5	(100.0)	-	(4)	(100.0)
Exchange loss	(820)	(510)	60.8	(1,419)	(109)	N/M
Gain on disposal of an associate	-	-	-	(33)	-	N/M
Rental expenses	(341)	(487)	(30.0)	(1,255)	(1,473)	(14.8)
Property, plant and equipment written off	-	(31)	(100.0)	-	(98)	(100.0)
Impairment of goodwill	-	-	-	-	(61)	(100.0)

N/M: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the third quarter and nine months period ended 30 September 2015

	Group			Group		
	Third quarter ended 30 Sep 15 US\$'000	30 Sep 14 US\$'000	Change %	9 months period ended 30 Sep 15 US\$'000	30 Sep 14 US\$'000	Change %
Profit/(loss) for the period	500	(127)	<i>N/M</i>	(2,145)	(991)	<i>N/M</i>
Other comprehensive income/(loss):						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Currency translation differences arising on consolidation	42	181	(76.8)	282	138	<i>N/M</i>
Disposal of interest in subsidiary without change in control	-	-	-	40	29	37.9
	42	181		322	167	
Total comprehensive Income/(loss) for the period	542	54	<i>N/M</i>	(1,823)	(824)	<i>N/M</i>
Equity holders of the Company	557	214	<i>N/M</i>	(1,418)	93	<i>N/M</i>
Non-controlling interests	(15)	(160)	(90.6)	(405)	(917)	(55.8)
Total comprehensive Income/(loss) for the period	542	54	<i>N/M</i>	(1,823)	(824)	<i>N/M</i>
Total comprehensive Income/(loss) attributable to:						
Equity holders of the Company	557	214	<i>N/M</i>	(1,418)	93	<i>N/M</i>

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 30 September 2015

	Group		Company	
	30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	12,489	12,056	-	-
Investment in subsidiaries	-	-	#	#
Investment in associates	356	576	-	-
Investment in joint ventures	-	2,683	-	-
Deferred tax assets	272	130	-	-
Finance lease receivables	403	2,176	-	-
	13,520	17,621	-	-
Current assets				
Inventories	1,157	1,204	-	-
Trade and other receivables	31,963	39,725	17	5
Finance lease receivables	5,599	3,144	-	-
Due from subsidiaries	-	-	58,158	59,944
Due from associates	1,243	1,387	-	-
Due from joint venture	-	3,025	-	-
Tax recoverable	10	15	-	-
Cash and cash equivalents	18,603	16,601	5,606	5,304
	58,575	65,101	63,781	65,253
Total assets	72,095	82,722	63,781	65,253
Non-current liabilities				
Deferred tax liabilities	125	-	-	-
Finance lease liabilities	1,412	125	-	-
	1,537	125	-	-
Current liabilities				
Trade and other payables	31,021	35,885	217	230
Bank term loans	2,420	7,701	1,536	3,280
Provision for restructuring costs	484	521	-	-
Finance lease liabilities	211	34	-	-
Tax payable	58	36	-	-
	34,194	44,177	1,753	3,510
Total liabilities	35,731	44,302	1,753	3,510
Net assets	36,364	38,420	62,028	61,743
Equity				
Share capital	51,758	51,775	51,758	51,775
Accumulated (losses) / profits	(5,312)	(3,720)	10,270	9,968
Foreign currency translation reserve	(8,056)	(8,140)	-	-
Equity attributable to equity holders of the Company, total	38,390	39,915	62,028	61,743
Non-controlling interests	(2,026)	(1,495)	-	-
Total equity	36,364	38,420	62,028	61,743

#: represents amount less than US\$1,000

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

Amount repayable in one year or less, or on demand

At 30 September 2015		At 31 December 2014	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
2,631	-	7,735	-

Amount repayable after one year

At 30 September 2015		At 31 December 2014	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
1,412	-	125	-

Details of any collateral

The Group's borrowings are secured by corporate guarantee given by the Company and a first deed of debentures incorporating a floating charge over the receivables of the logistics business and collateral on the leasehold properties of the Group. Included in the Group's borrowings are finance leases secured by pledge on the motor vehicles.

- 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 third quarter and nine months period ended 30 September 2015

	Group			
	Third quarter ended		9 months period ended	
	30 Sep 2015 US\$'000	30 Sep 2014 US\$'000	30 Sep 2015 US\$'000	30 Sep 2014 US\$'000
Cash flows from operating activities				
Profit/(loss) before tax	443	(110)	(2,177)	(955)
Adjustments for:				
Interest income	154	(77)	(55)	(186)
Depreciation of property, plant and equipment	291	273	844	794
Finance lease interest	(222)	(301)	(742)	(959)
Interest expenses	70	108	220	289
Impairment loss on goodwill	-	-	-	61
Allowance for doubtful non-trade receivables write back	(170)	-	-	-
Gain on disposal of an associate	-	-	(33)	-
Loss/(gain) on disposal of property, plant and equipment	1	(47)	3	(47)
Gain on disposal of a joint venture	(2,089)	-	(2,089)	-
Reversal of restructuring provision	-	(280)	-	(280)
Property, plant and equipment written off	-	31	-	98
Share of results of associates	(68)	(75)	(136)	(233)
Share of results of joint venture	(3)	60	(184)	(166)
Effect of foreign exchange rate changes	(134)	66	(82)	170
Operating cash flows before working capital changes	(1,727)	(352)	(4,431)	(1,414)
Inventories	10	(223)	47	(689)
Receivables	4,557	(2,289)	12,067	1,797
Payables	52	704	(5,086)	(5,711)
Finance lease receivables	11	480	60	1,880
Cash generated from/(used in) operations	2,903	(1,680)	2,657	(4,137)
Income tax refund/(paid)	61	(4)	17	(189)
Net cash generated from/(used in) operating activities	2,964	(1,684)	2,674	(4,326)
Cash flows from investing activities				
Acquisition of subsidiary	-	-	-	(32)
Dividend received from associate	-	-	315	511
Interest received	(154)	77	55	186
Proceed from disposal of a joint venture	4,593	-	4,593	-
Proceed from dissolution of joint venture	-	-	5	-
Proceeds from disposal of associate	-	-	66	-
Proceeds from disposal of partial interest in subsidiary	-	-	40	25
Proceeds from disposal of property, plant and equipment	-	83	34	86
Purchase of property, plant and equipment	(225)	(630)	(519)	(722)
Dividend received from joint venture	252	-	252	-
Restricted cash	(1)	(162)	-	(162)
Effect of foreign exchange rate changes	47	36	112	15
Net cash generated from/(used in) investing activities	4,512	(596)	4,953	(93)
Cash flows from financing activities				
Proceeds from bank term loans	209	-	1,217	703
Repayment of bank term loans	(5,976)	(1,250)	(6,644)	(2,923)
Repayment of finance lease liabilities	(383)	(2)	(464)	(2)
Dividend paid to minority shareholder	-	-	(126)	-
Purchase of shares for cancellation	(59)	-	(108)	-
Interest paid	(70)	(108)	(220)	(289)
Effect of foreign exchange rate changes	162	(30)	145	(29)
Net cash used in financing activities	(6,117)	(1,390)	(6,200)	(2,540)
Net increase/(decrease) in cash and cash equivalents ⁽¹⁾	1,359	(3,670)	1,427	(6,959)
Cash and cash equivalents at beginning of period	16,717	17,278	16,439	20,718
Effect of foreign exchange rate changes	365	146	575	(5)
Cash and cash equivalents at end of period	18,441	13,754	18,441	13,754
Cash and cash equivalents are represented by ⁽¹⁾:				
Bank and cash balances	18,279	13,786	18,279	13,786
Less: Bank overdraft	-	(32)	-	(32)
Fixed deposits	162	-	162	-
	18,441	13,754	18,441	13,754

Note: (1) As at 30 September 2015, Cash and cash equivalents balances held by the Group amounting to US\$0.162 million are not available for use.

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 third quarter and nine months period ended 30 September 2015

THE GROUP	Share capital US\$'000	Accumulated losses US\$'000	Share option reserve US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to equity holders of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2015	51,775	(3,720)	-	(8,140)	39,915	(1,495)	38,420
Comprehensive loss							
Loss for the period	-	(1,394)	-	-	(1,394)	(326)	(1,720)
Other comprehensive income							
Currency translation differences on consolidation	-	-	-	216	216	130	346
Disposal of interest in a subsidiary without change in control	-	-	-	-	-	40	40
Other comprehensive income for the period	-	-	-	216	216	170	386
Total comprehensive (loss)/income for the period	-	(1,394)	-	216	(1,178)	(156)	(1,334)
Transaction with owners recorded directly in equity							
Dividend paid	-	-	-	-	-	(126)	(126)
Cancellation of shares bought back	(17)	-	-	-	(17)	-	(17)
	(17)	-	-	-	(17)	(126)	(143)
At 31 March 2015	51,758	(5,114)	-	(7,924)	38,720	(1,777)	36,943
Comprehensive loss							
Loss for the period	-	(706)	-	-	(706)	(219)	(925)
Other comprehensive loss							
Currency translation differences on consolidation	-	-	-	(91)	(91)	(15)	(106)
Other comprehensive loss for the period	-	-	-	(91)	(91)	(15)	(106)
Total comprehensive loss for the period	-	(706)	-	(91)	(797)	(234)	(1,031)
Transaction with owners recorded directly in equity							
Cancellation of shares bought back	-	(31)	-	-	(31)	-	(31)
	-	(31)	-	-	(31)	-	(31)
At 30 June 2015	51,758	(5,851)	-	(8,015)	37,892	(2,011)	35,881
Comprehensive Income/(loss)							
Profit/(loss) for the period	-	598	-	-	598	(98)	500
Other comprehensive loss							
Currency translation differences on consolidation	-	-	-	(41)	(41)	83	42
Other comprehensive (loss)/profit for the period	-	-	-	(41)	(41)	83	42
Total comprehensive profit/(loss) for the period	-	598	-	(41)	557	(15)	542
Transaction with owners recorded directly in equity							
Cancellation of shares bought back	-	(59)	-	-	(59)	-	(59)
	-	(59)	-	-	(59)	-	(59)
At 30 September 2015	51,758	(5,312)	-	(8,056)	38,390	(2,026)	36,364

Consolidated Statement of Changes in Equity

For the third quarter and nine months period ended 30 September 2015 (cont'd)

THE GROUP	Share capital US\$'000	Accumulated losses US\$'000	Share option reserve US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to equity holders of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2014	51,775	(3,863)	47	(8,150)	39,809	(784)	39,025
Comprehensive loss							
Loss for the period	-	(267)	-	-	(267)	(486)	(753)
Other comprehensive income/(loss)							
Currency translation difference on consolidation	-	-	-	7	7	(37)	(30)
Disposal of interests in subsidiary without change in control	-	-	-	-	-	4	4
Other comprehensive income/(loss) for the period	-	-	-	7	7	(33)	(26)
Total comprehensive (loss)/income for the period	-	(267)	-	7	(260)	(519)	(779)
At 31 March 2014	51,775	(4,130)	47	(8,143)	39,549	(1,303)	38,246
Comprehensive income/(loss)							
Profit/(loss) for the period	-	136	-	-	136	(247)	(111)
Other comprehensive income/(loss)							
Currency translation difference on consolidation	-	-	-	3	3	(16)	(13)
Disposal of interests in subsidiary without change in control	-	-	-	-	-	25	25
Other comprehensive income for the period	-	-	-	3	3	9	12
Total comprehensive income/(loss) for the period	-	136	-	3	139	(238)	(99)
Changes in ownership interests in subsidiary							
Acquisition of a subsidiary	-	-	-	-	-	(43)	(43)
	-	-	-	-	-	(43)	(43)
Others							
Expired employee share options	-	47	(47)	-	-	-	-
	-	47	(47)	-	-	-	-
At 30 June 2014	51,775	(3,947)	-	(8,140)	39,688	(1,584)	38,104
Comprehensive income/(loss)							
Profit/(loss) for the period	-	135	-	-	135	(262)	(127)
Other comprehensive income							
Currency translation difference on consolidation	-	-	-	79	79	102	181
Other comprehensive income for the period	-	-	-	79	79	102	181
Total comprehensive income/(loss) for the period	-	135	-	79	214	(160)	54
At 30 September 2014	51,775	(3,812)	-	(8,061)	39,902	(1,744)	38,158

Statement of Changes in Equity

For the third quarter and nine months period ended 30 September 2015

THE COMPANY	Share capital US\$'000	Accumulated profits US\$'000	Share option reserve US\$'000	Total equity US\$'000
At 1 January 2015	51,775	9,968	-	61,743
Comprehensive income				
Profit and total comprehensive income for the period	-	209	-	209
Transaction with owners recorded directly in equity				
Cancellation of shares bought back	(17)	-	-	(17)
At 31 March 2015	51,758	10,177	-	61,935
Comprehensive income				
Profit and total comprehensive income for the period	-	152	-	152
Transaction with owners recorded directly in equity				
Cancellation of shares bought back	-	(31)	-	(31)
At 30 June 2015	51,758	10,298	-	62,056
Comprehensive income				
Profit and total comprehensive income for the period	-	31	-	31
Transaction with owners recorded directly in equity				
Cancellation of shares bought back	-	(59)	-	(59)
At 30 September 2015	51,758	10,270	-	62,028

THE COMPANY	Share capital US\$'000	Accumulated profits US\$'000	Share option reserve US\$'000	Total equity US\$'000
At 1 January 2014	51,775	9,201	47	61,023
Comprehensive income				
Profit and total comprehensive income for the period	-	240	-	240
At 31 March 2014	51,775	9,441	47	61,263
Comprehensive income				
Profit and total comprehensive income for the period	-	245	-	245
Others				
Expired employees share options	-	47	(47)	-
At 30 June 2014	51,775	9,733	-	61,508
Comprehensive income				
Profit and total comprehensive income for the period	-	136	-	136
At 30 September 2014	51,775	9,869	-	61,644

- 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

The following table shows movements in the issued ordinary shares of the Company :

	Third quarter ended	
	30 Sep 2015	30 Sep 2014
Balance at beginning of period #	178,721,070	715,903,629
Shares bought back and cancelled	(462,000)	-
Balance at end of period	<u>178,259,070</u>	<u>715,903,629</u>

On 13 May 2015, the Company completed the Share Consolidation of every four shares into one consolidated share.

The Company has no outstanding employee share options as at 30 September 2015 and 30 September 2014 since the expiration of the employee share options on 2 June 2014.

- 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 30 September 2015 and 31 December 2014 were 178,259,070 and 715,903,629 respectively.

- 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.**

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 year ended 31 December 2014.

- 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.**

In the current period, the Group and the Company have adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and the Interpretations of FRS that are relevant to its operations and effective for the current period. The adoption of these new/revised FRSs has no material effect on the financial statements.

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		Group	
	Third quarter ended		9 months period ended	
	30 Sep 2015	30 Sep 2014	30 Sep 2015	30 Sep 2014
Profit/(loss) after tax attributable to equity holders of the Company (US\$'000)	598	135	(1,502)	4
Weighted average number of ordinary shares (in '000)	178,794	178,974	178,794	178,974
Earnings per share (US cents):				
Basic ⁽¹⁾	0.33	0.08	(0.84)	0.00
Diluted ⁽¹⁾	0.33	0.08	(0.84)	0.00

Note:

- (1) Computed based on weighted average number of ordinary shares, adjusting for the effect of Share consolidation.

7. **Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	30 Sep	31 Dec	30 Sep	31 Dec
	2015	2014	2015	2014
Net asset value per share based on existing issued share capital at the end of period/year (US cents) ^{(1) (2)}	21.54	22.30	34.80	34.50

Notes:

- (1) The above computation of net asset value per share excludes non-controlling interests. Including non-controlling interests, the net asset value per share for the Group as at 30 September 2015 and 31 December 2014 would have been 20.40 US cents and 21.47 US cents per share respectively.
- (2) Computed based on 178,259,070 and 178,974,470 ordinary shares in issue for 30 September 2015 and 31 December 2014 respectively, adjusting for the effect of Share consolidation.

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.**

FINANCIAL PERFORMANCE

A-Sonic Aerospace Limited, its subsidiaries, and associate companies (the "A-Sonic Group" or the "Group") are engaged in two areas of businesses, aviation and logistics. Currently, we operate in 40 cities and 16 countries, spanning across four continents in Asia, North America, Sub-Continent India and Europe. Our total staff strength is approximately 720 personnel as at 30 September 2015.

Revenue **9M 2015 vs 9M 2014**

Our "Total revenue" comprises "Turnover" and "Other revenue". We recorded a "Total revenue" of US\$154.031 million in the nine months ended 30 September 2015 ("9M 2015"), compared to US\$179.751 million in the corresponding period in 2014 ("9M 2014"). The decline of US\$25.270 million in "Total revenue" was mainly due to lower "Turnover" in 9M 2015.

"Turnover" decreased US\$26.706 million (15.1%) to US\$150.11 million in 9M 2015 owing to:

- (i) a decline of US\$0.683 million in the aviation "Turnover" to US\$1.792 million in 9M 2015, compared to US\$2.475 million in 9M 2014. Lower aviation "Turnover" in 9M 2015 was mainly due to lower business volume and freight rates; and
- (ii) a decline of US\$26.023 million in the logistics "Turnover" to US\$148.219 million in 9M 2015, compared to US\$174.242 million in 9M 2014. The decline in the logistics "Turnover" was largely due to a combination of two factors: (a) the planned reduction in the wholesale freight business by one of our subsidiaries in The People's Republic of China; and (b) the lower business volume and freight rates, especially in Asia and the United States.

"Other revenue" increased US\$0.986 million (32.5%) to US\$4.020 million in 9M 2015, owing to US\$1.535 million higher "Other revenue" generated from the logistics business to US\$2.778 million in 9M 2015. The increase was largely due to "Gain on disposal of a joint venture" amounting to US\$2.089 million. However the increase was partially offset by reduction of US\$0.549 million "Other revenue" generated from the aviation business, resulting from lower aircraft lease income.

3rd Qtr 2015 vs 3rd Qtr 2014

"Total revenue" decreased US\$17.110 million to US\$50.215 million in the third quarter ended 30 September 2015 ("3Q 2015"), compared to US\$67.325 million in the corresponding quarter in 2014 ("3Q 2014"). The reduction in "Total revenue" in 3Q 2015 was due to the contraction in "Turnover".

"Turnover" declined US\$18.290 million (27.7%) to US\$47.699 million in 3Q 2015, compared to US\$65.989 million in 3Q 2014, largely due to a decline of US\$18.831 million in the logistics "Turnover", resulting largely from combination of two factors: (a) the reduction of the wholesale freight business by one of our subsidiaries in The People's Republic of China; and (ii) the lower business volume and freight rates especially in Asia and the United States. However, the decrease in logistics "Turnover" was partially offset by increase of US\$0.541 million in the aviation "Turnover" to US\$1.003 million, as a result of the higher business volume and freight rates for 3Q 2015.

"Other revenue" increased US\$1.180 million to US\$2.516 million in 3Q 2015, compared to US\$1.336 million in 3Q 2014. The increase was mainly due to a "Gain on disposal of a joint venture" amounting to US\$2.089 million in 3Q 2015. However, the increase was partially offset by:-

- (i) A decline of US\$0.231 million in "Interest income" to US\$(0.154) million in 3Q 2015 compared to US\$0.077 million in 3Q 2014 due to waiver of interest income US\$0.208 million;
- (ii) A decline of US\$0.200 million for "Sundry income" to US\$0.350 million in 3Q 2015 compared to US\$0.550 million in 3Q 2014; and
- (iii) Absence of "Restructuring provision written back" of US\$0.280 million in 3Q 2015 which occurred in 3Q 2014.

3rd Qtr 2015 vs 2nd Qtr 2015

“Total revenue” decreased US\$0.766 million to US\$50.215 million in 3Q 2015, compared to US\$50.981 million in the second quarter ended 30 June 2015 (“2Q 2015”), largely due to the lower “Turnover”.

“Turnover” decreased US\$2.395 million to US\$47.699 million in 3Q 2015, compared to US\$50.094 million in 2Q 2015. The “Turnover” contracted mainly due to a decrease of US\$2.961 million in the logistics in “Turnover”.

“Other revenue” increased US\$1.629 million to US\$2.516 million in 3Q 2015 compared to US\$0.887 million in 2Q 2015, the increase was largely due to “Gain on disposal of a joint venture” of US\$2.089 million.

Total Costs and Expenses

9M 2015 vs 9M 2014

Compared to the same corresponding period last year, “Total costs and expenses” decreased US\$24.498 million to US\$156.208 million in 9M 2015, compared to US\$180.706 million in 9M 2014. The reduction was mainly owing to:

- (i) “Freight charges” declined US\$24.454 million to US\$132.820 million in 9M 2015, compared to US\$157.274 million in 9M 2014. The reduction in “Freight charges” corresponded to the lower logistics “Turnover” as elaborated in the section entitled “Revenue” “9M 2015 vs 9M 2014” on page 11;
- (ii) “Changes in inventories” and “Purchases of goods and consumables used” declined US\$0.154 million to US\$1.615 million, compared to an aggregate of US\$1.769 million in 9M 2014. The reduction in “Changes in inventories” and “Purchases of goods and consumables used” is in line with the lower aviation “Turnover” as elaborated in the section entitled “Revenue” “9M 2015 vs 9M 2014” on page 11; and
- (iii) “Staff costs” declined US\$1.442 million to US\$13.270 million in 9M 2015, compared to US\$14.712 million in 9M 2014, largely due to a reduction in the staff headcount in North Asia.

The above decreases were partially offset by an increase in “Other operating expenses”. “Other operating expenses” increased US\$1.492 million to US\$7.759 million in 9M 2015, compared to US\$6.267 million in 9M 2014. The increase was mainly attributable to higher foreign exchange losses. We incurred a foreign exchange loss of US\$1.419 million in 9M 2015, compared to a smaller foreign exchange loss of US\$0.109 million in 9M 2014.

3rd Qtr 2015 vs 3rd Qtr 2014

“Total costs and expenses” decreased US\$17.663 million to US\$49.772 million in 3Q 2015, compared to US\$67.435 million in 3Q 2014, mainly due to:

- (i) “Freight costs” which is a major cost for logistics business, decreased US\$17.793 million to US\$41.389 million in 3Q 2015, compared to US\$59.182 million in 3Q 2014, in line with the reduction in the logistics “Turnover” as elaborated in the section entitled “Revenue” “3rd Qtr 2015 vs 3rd Qtr 2014” on page 11;
- (ii) “Changes in inventories” and “Purchases of goods and consumables used” increased of US\$0.566 million to an aggregate of US\$0.960 million in 3Q 2015, compared to an aggregate of US\$0.394 million in 3Q 2014. The increase was in line with the increase in aviation “Turnover” as elaborated in the section entitled “Revenue” “3rd Qtr 2015 vs 3rd Qtr 2014” on page 11; and
- (iii) “Staff costs” decreased US\$0.642 million to US\$4.308 million in 3Q 2015, largely due to a reduction in the staff headcount in North Asia.

3rd Qtr 2015 vs 2nd Qtr 2015

“Total costs and expenses” decreased US\$2.086 million to US\$49.772 million in 3Q 2015 was mainly due to a decrease of US\$3.082 million in logistics “Freight charges” to US\$41.380 million in 3Q 2015, compared to US\$44.462 million in 2Q 2015. The decrease in “Total costs and expenses” was in line with the reduction in logistics “Turnover”. The decrease in “Freight charges” was, however, partially offset by the following:-

- (i) An increase of US\$0.592 million in “Changes in inventories” and “Purchases of goods and consumables used” to US\$0.960 million in 3Q 2015, compared to US\$0.368 million in 2Q 2015; and
- (ii) An increase of US\$0.630 million in “Other operating expenses” due to foreign exchange loss of US\$0.820 million in 3Q 2015, compared to foreign exchange gain of US\$0.033 million in 2Q 2015.

Gross Profit

9M 2015 vs 9M 2014

Our Group's "Gross Profit" was calculated as "Turnover" less "Changes in inventories", "Purchases of goods and consumables used" and "Freight charges".

"Gross Profit" declined US\$2.098 million to US\$15.576 million in 9M 2015, compared to US\$17.674 million in 9M 2014 due to:

- (i) a decrease of US\$1.657 million in the logistics "Gross Profit" to US\$15.408 million in 9M 2015, compared to US\$17.065 million in 9M 2014. The reduction in the logistics "Gross Profit" was largely in line with the contraction of US\$26.023 million in the logistics "Turnover", as explained in the earlier section entitled "*Revenue*" "*9M 2015 vs 9M 2014*" on page 11; and
- (ii) a decrease of US\$0.441 million in the aviation "Gross Profit" to US\$0.168 million in 9M 2015, compared to US\$0.609 million in 9M 2014. The reduction in the aviation "Gross Profit" corresponded to the lower aviation "Turnover" in 9M 2015.

3^d Qtr 2015 vs 3^d Qtr 2014

"Gross Profit" decreased US\$1.063 million to US\$5.350 million in 3Q 2015, compared to US\$6.413 million in 3Q 2014, attributable to:

- (i) the lower aviation "Gross Profit" of US\$0.021 million to US\$0.034 million in 3Q 2015, compared to US\$0.055 million in 3Q 2014; and
- (ii) the lower logistics "Gross Profit" of US\$1.042 million to US\$5.316 million in 3Q 2015, compared to US\$6.358 million in 3Q 2014. The lower logistics "Gross Profit" was in line with the lower logistics "Turnover" as elaborated in the section entitled "*Revenue*" "*3^d Qtr 2015 vs 3^d Qtr 2014*" on page 11.

3^d Qtr 2015 vs 2nd Qtr 2015

"Gross Profit" increased US\$0.084 million to US\$5.350 million in 3Q 2015, compared to US\$5.266 million in 2Q 2015. The increase was attributable to the higher logistics "Gross Profit" margin, which improved 0.9% to 11.4% in 3Q 2015, compared to 10.5% in 2Q 2015. The increase in "Gross Profit" margin was largely in line with then planned reduction in the wholesale freight business by one of our subsidiaries in The People's Republic of China.

Profit attributable to Equity Holders of the Company

9M 2015 vs 9M 2014

The Group recorded "Loss attributable to the equity holder of the Company" of US\$1.502 million in 9M 2015, compared to "Profit attributable to the equity holder of the Company" of US\$0.004 million in 9M 2014. The "Loss attributable to the equity holder of the Company" was largely due to higher "Other operating expenses". We incurred US\$1.492 million higher "Other operating expenses" largely as a result of:

- (i) US\$1.419 million foreign exchange loss in 9M 2015, compared to a smaller foreign exchange loss of US\$0.109 million in 9M 2014; and
- (ii) US\$0.528 million higher "Allowance for doubtful trade receivables" of US\$0.661 million in 9M 2015, compared to US\$0.133 million in 9M 2014.

"Taxation" in 9M 2015 amounted US\$0.032 million, compared to tax expense of US\$0.036 million in 9M 2014.

3^d Qtr 2015 vs 3^d Qtr 2014

We registered a "Profit attributable to equity holder of the Company" of US\$0.598 million in 3Q 2015, compared to US\$0.135 million in 3Q 2014. Higher "Profit attributable to equity holder of the Company" in 3Q 2015 was mainly due to the US\$2.089 million "Gain on disposal of a joint venture". The profit was however offset by (i) the higher (US\$0.310 million) of "Exchange loss"; (ii) the higher (US\$0.167 million) "Allowance of doubtful trade receivables"; (iii) reversal of "Interest income" of US\$0.154 million due to a waiver of interest income, compared to an interest income of US\$0.077 million in 3Q 2014; and lower (US\$0.079 million) "Finance lease interest" in 3Q 2015 compared to 3Q 2014.

"Tax income" in 3Q 2015 was US\$0.057 million compared to tax expense of US\$0.017 million in 3Q 2014.

3rd Qtr 2015 vs 2nd Qtr 2015

We registered a "Profit attributable to equity holder of the Company" of US\$0.598 million in 3Q 2015, compared to "Loss attributable to equity holder of the Company" of US\$0.706 million in 2Q 2015. Higher "Profit attributable to equity holder of the Company" in 3Q 2015 was mainly due to the US\$2.089 million "Gain on disposal of a joint venture".

Balance Sheet

Non-current assets

"Non-current assets" decreased US\$4.101 million to US\$13.520 million as at 30 September 2015 ("9M 2015"), compared to US\$17.621 million as at 31 December 2014 ("FY 2014"), largely attributable to:

- (i) US\$1.773 million reduction in "Finance lease receivables" as a result of the reclassification of the long-term "Finance lease receivables" to short-term "Finance lease receivables" which is due within 1 year; and
- (ii) US\$2.683 million reduction in "Investment in joint venture" as a result of disposal of equity interest in a joint venture.

However, the above decreases in "Non-current assets" were partially offset by the following:-

- (i) An increase in "Property, plant and equipment" of US\$0.433 million from US\$12.056 million as at FY2014 to US\$12.489 million as at 9M 2015, mainly due to the purchase of motor vehicles which were deployed in the transportation segment for a term logistics project; and
- (ii) An increase of "Deferred tax assets" of US\$0.142 million from US\$0.130 million as at FY 2014 to US\$0.272 million as at 9M 2015.

Current assets

"Current assets" decreased US\$6.526 million to US\$58.575 million as at 9M 2015 from US\$65.101 million as at FY 2014, largely attributable to:

- (i) US\$7.762 million decline in "Trade and other receivables" to US\$31.963 million as at 9M 2015 compared to US\$39.725 million as at FY 2014. The reduction for "Trade and other receivables" was in tandem with an overall contraction in our "Turnover"; and
- (ii) US\$3.025 million decline in the amount "Due from joint venture".

The above decreases in "Current Assets", were however, partially offset by the following:

- (i) An increase in "Finance lease receivables" of US\$2.455 million to US\$5.599 million as at 9M 2015 due to the reclassification of US\$ 1.773 million long-term "Finance lease receivables" to short-term "Finance lease receivables" which would be due within 1 year; and
- (ii) An increase in "Cash and cash equivalent" of US\$2.002 million from US\$ 16.601 million as at FY2014 to US\$18.603 million as at 9M 2015.

Non-current liabilities

"Non-current liabilities" increased US\$1.412 million to US\$1.537 million as at 9M 2015, compared to US\$0.125 million as at FY 2014. The increase was attributable to:-

- (i) The increase of "Finance lease liabilities" of US\$1.287 million mainly as a result of the purchase of motor vehicles which were deployed in the transportation segment for a term logistics project; and
- (ii) The increase of deferred tax liability of US\$0.125 million, mainly due to the temporary difference between tax base and net book value of the "Property, plant and equipment".

Current liabilities

"Current liabilities" declined US\$9.983 million from US\$44.177 million as at FY 2014 to US\$34.194 million as at 9M 2015. The decline was attributable to:

- (i) US\$4.864 million decrease in "Trade and other payables" to US\$31.021 million as at 9M 2015. The decline was in line with the overall contraction in business volume and freight rates; and
- (ii) US\$5.281 million net repayment of "Bank term loans" to US\$2.420 million as at 9M 2015.

Net assets

Our Group's "Net assets" contracted US\$2.056 million to US\$36.364 million as at 9M 2015, compared to US\$38.420 million as at FY2014. The contraction in "Net assets" was because the decline in "Total assets" was much sharper at US\$10.627 million as at 9M 2015, compared to the decline in "Total liabilities" of US\$8.571 million.

Equity

Our "Share capital" stood at US\$51.758 million as at 9M 2015, compared to US\$51.775 million as at end FY 2014. The reduction was due to the buy-back of shares, and the consequential cancellation of the shares repurchased.

The Group's "Equity attributable to equity holders of the Company (excluding non-controlling interest)" stood at US\$38.390 million as at 9M 2015, a decrease of US\$1.525 million compared to US\$39.915 million as at FY 2014. The reduction of US\$1.525 million was mainly due to the net loss attributable to the equity holders of the Company (excluding non-controlling interest) of US\$1.502 million recorded in 9M 2015.

Our Group's net assets value (excluding non-controlling interests) as at 9M 2015, stood at US\$38.390 million or equivalent to US cents of 21.54 per share, compared to US\$39.915 million or equivalent to US cents of 22.30 per share as at FY 2014.

Our Group's gearing based on total bank borrowings and finance leases liabilities to net asset value (excluding non-controlling interests) was 10.5% as at 9M 2015, compared to 19.7% as at FY 2014.

Cash Flow

9M 2015 vs 9M 2014

"Operating cash flows before working capital changes" used in 9M 2015 was US\$4.431 million, compared to US\$1.414 million used in 9M 2014. The higher "Operating cash flows before working capital changes" used was largely due to "Loss before tax" of US\$2.176 million in 9M 2015, compared to US\$0.955 million in 9M 2014. In addition, the increase in "Operation cash flow before working capital changes" used in 9M 2015 also largely attributed to the "Gain on disposal of a joint venture" of US\$2.089 in 9M 2015 compared to nil in the absent of the disposal in 9M 2014.

"Working capital changes" in 9M 2015 were recorded as follows : (i) cash used in "Payables" of US\$5.086 million; and (ii) cash generated from "Inventories", "Receivables" and "Finance lease receivables" of US\$0.047 million, US\$12.067 million and US\$0.060 million respectively. Whilst for 9M 2014, the "Working capital changes" were recorded as follows: (i) cash used in "Payables" and "Inventories" of US\$5.711 million and US\$0.689 million respectively; and (ii) cash generated from "Receivables" and "Finance lease receivables" of US\$1.797 million and US\$1.880 million respectively.

"Net cash generated from investing activities" was US\$4.953 million, mainly comprised of "Proceed from disposal of a joint venture" of US\$4.593 million, "Dividend received from associate" of US\$0.315 million and "Dividend received from joint venture" of US\$0.252 million. It was partially mitigated by the "Purchase of property, plant and equipment" of US\$0.519 million. In 9M 2014, "Net cash used in investing activities" was mainly for "Purchase of property, plant and equipment" of US\$0.722 million, however the outflow of cash in investing activities was mitigated by "Dividend received from associate" and "Interest received" of US\$0.511 million and US\$0.186 million respectively.

"Net cash used in financing activities" in 9M 2015 was US\$6.200 million, which largely used for "Repayment of bank term loans" of US\$6.644 million. Whilst "Net cash used in financing activities" in 9M 2014 was US\$2.540 million, which also mainly used for "Repayment of bank term loans" of US\$2.923 million and partially offset by the "Proceeds from bank term loan" of US\$0.703 million.

3^d Qtr 2015 vs 3^d Qtr 2014

"Operating cash flows before working capital changes" used in 3Q 2015 was US\$1.727 million compared to US\$0.352 million used in 3Q 2014. The higher "Operating cash flows before working capital changes" used was largely "Gain on disposal of a joint venture" of US\$2.089 million and partially offset by the "Profit before tax" of US\$0.444 million.

"Working capital changes" in 3Q 2015 were recorded as cash generated from "Inventories", "Receivables", "Payables" and "Finance lease receivables" of US\$0.010 million, US\$4.557 million, US\$0.052 million and US\$0.011 million respectively. "Working capital changes" in 3Q 2014 were recorded as cash generated from "Payables" and "Finance lease receivables" of US\$0.704 million and US\$0.480 million respectively; whilst cash used for "Inventories" and "Receivables" of US\$0.223 million and US\$2.289 million respectively.

After refund for income tax of US\$0.061 million, "Net cash generated from operating activities" in 3Q 2015 was US\$2.964 million, compared to "Net cash used in operating activities" of US\$1.684 million in 3Q 2014.

"Net cash generated from investing activities" in 3Q 2015 was US\$4.512 million, mainly comprised of "Proceed from a disposal of a joint venture" and "Dividend received from joint venture" of US\$4.593 million and US\$0.252 million respectively. However the cash generated was partially offset by the "Purchase of property, plant and equipment" of US\$0.225 million. In 3Q 2014, "Net cash generated used in investing activities" of US\$0.596 million, which mainly used for "Purchase of property, plant and equipment" of US\$0.630 million.

"Net cash used in financing activities" in 3Q 2015 was US\$6.117 million, compared to US\$1.390 million used in 3Q 2014. "Net cash used in financing activities" was mainly used for "Repayment of bank term loan" in both periods.

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

Save for the public announcement made on 10 November 2015, no forecast or prospect statement had previously been disclosed to the shareholders.

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.

The world economic outlook foresees lower global growth in the coming months. With a sharper than expected slowdown in The Peoples' Republic of China, and the appreciation of the U.S. Dollar, the downside risks to the world economy appear more pronounced. Hence, we remain cautious for both our aviation and logistics business activities till the end of this financial year, and the next 12 months.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended) in the current financial period reported on:

No dividend has been declared or recommended for the third quarter and nine months period ended 30 September 2015.

(b) i) Amount per share (in cents)

None.

ii) Previous corresponding period (in cents)

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for the third quarter ended 30 September 2015.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

As at the date of this Announcement, the Group has not obtained a general mandate from shareholders for IPTs.

- 14. Negative confirmation pursuant to Rule 705(5).**

See enclosed on last page.

BY ORDER OF THE BOARD

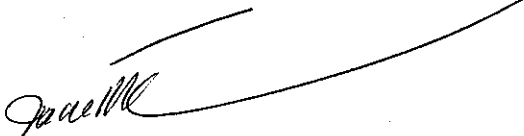
Quek Ying Chui
Joint Company Secretary

13 November 2015

Directors' Negative Assurance on Interim Financial Results under Rule 705(5)

To the best of our knowledge, nothing has come to our attention which may render the unaudited interim financial results of the Group and the Company for the third quarter ended 30 September 2015 and nine months period ended 30 September 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors



Janet LC Tan
Chief Executive Officer



Tan Lay Yong Jenny
Executive Director