A-Sonic aerospace

ANNUAL REPORT 2024

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OUR **MISSION**

An integrated team in diverse markets working to provide seamless aviation & logistic solutions

CORPORATE **PROFILE**

OUR BUSINESS

The A-Sonic Group is engaged in two areas of businesses, aviation and logistics. We currently operate in 28 cities in 15 countries, spanning four (4) continents in Asia, North America, Europe, and Sub-Continent India.

AVIATION BUSINESS

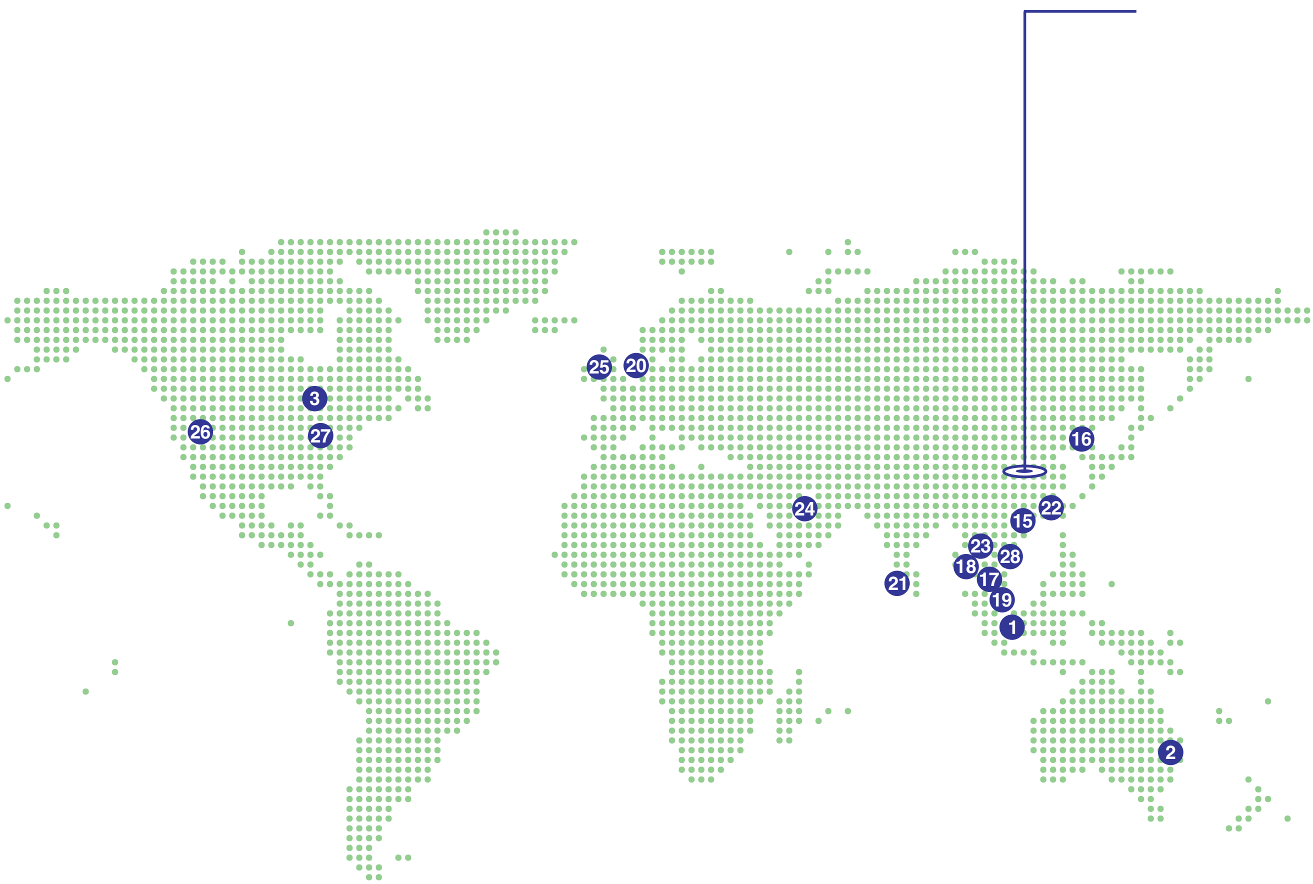
We are engaged in the purchase and sale of aircraft and aircraft engines.

LOGISTICS BUSINESS

We are engaged in providing supply chain management services. We specialize in various aspects of logistic solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and airport ground services.

OUR **PRESENCE**

01 Singapore
02 Sydney, Australia
03 Toronto, Canada
04 Beijing, PRC
05 Dalian, PRC
06 Fuzhou, PRC
07 Guangzhou, PRC
08 Nanjing, PRC
09 Ningbo, PRC
10 Qingdao, PRC
11 Shanghai, PRC
12 Shenzhen, PRC
13 Tianjin, PRC
14 Xiamen, PRC
15 Hong Kong
16 Seoul, Korea
17 Kuala Lumpur, Malaysia
18 Penang, Malaysia
19 Johor Bahru, Malaysia
20 Rotterdam, Netherlands
21 Colombo, Sri Lanka
22 Taipei, Taiwan
23 Bangkok, Thailand
24 Dubai, UAE
25 London, UK
26 Los Angeles, USA
27 New York, USA
28 Ho Chi Minh, Vietnam



CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Janet LC Tan
(Chief Executive Officer)

Tan Lay Yong Jenny
(Executive Director)

Irene Tay Gek Lim
(Executive Director)

Gurbachan Singh
(Lead Independent Non-Executive Director)

Leonard Ong Chee Hein
(Independent Non-Executive Director)

Lim Soon Hock
(Independent Non-Executive Director)

COMPANY SECRETARIES

Chow Si Ying *(CA)*
Nor Hafiza Alwi *(FCIS)*

AUDIT & RISK MANAGEMENT COMMITTEE

Leonard Ong Chee Hein *(Chairman)*
Gurbachan Singh
Lim Soon Hock

NOMINATING COMMITTEE

Gurbachan Singh *(Chairman)*
Janet LC Tan
Leonard Ong Chee Hein

REMUNERATION COMMITTEE

Gurbachan Singh *(Chairman)*
Leonard Ong Chee Hein
Lim Soon Hock

REGISTERED OFFICE

10 Anson Road
#24-07, International Plaza
Singapore 079903
Tel: +65 6226 2072
Fax: +65 6226 2071
Website: www.asonic-aerospace.com

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068902
Tel: +65 6593 4848

AUDITORS

Baker Tilly TFW LLP
Chartered Accountants of Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Tel: +65 6336 2828

Partner-in-charge:
Mr Khor Boon Hong
(With effect from financial year ended 31 December 2021)

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Limited
Oversea-Chinese Banking Corporation Limited

CEO'S **MESSAGE**

Transformative Years Ahead

DEAR FELLOW SHAREOWNER

Reflecting on 2024 year, I am pleased to share that A-Sonic Group has navigated subdued global economic growth and multiple headwinds, including:

- adverse trade policy shifts and policy uncertainty;
- escalating conflicts and geopolitical tensions;
- more extreme weather events related to climate change;
- supply chain disruptions; and
- weaker growth in major economies.

These challenges have not only led to short-term shifts in demand, but have also brought about lasting changes. Despite this, our business must continue to adapt. With the accelerated pace of changes, it is imperative to reassess:

(i) Our Business: Re-evaluate our business domain with a fresh perspective to identify opportunities for improvement;

(ii) Our Blind Spots: Comb through to identify our blind spots and evaluate alternative perspectives to enhance productivity;

(iii) Adaption: Our business to align with the new norm, to create and deliver value to partners and customers; and

(iv) Strategic Investments: Allocate investments strategically, not only to survive the disruptions, but to thrive onwards and beyond them.

Despite an indeed tumultuous 2024 year, our Group delivered an increase of US$59.917 million (27.7%) in "Turnover" to US$275.944 million for the twelve months ended 31 December 2024 ("FY 2024"). Consolidated "Profit Before Tax" increased three (3) folds to US$3.637 million in FY2024. In tandem, our "Net Profit Attributable to Equity Holders of the Company" increased 193.5% to US$2.885 million.

This 2025 year will mark the end of the first quarter of the 21st century. I believe the decade ahead will be even more revolutionary with the advent of artificial superintelligence.

To stay relevant in our industry, partners, and customers, innovation and adaptability have to be part of our DNA. By embracing these values, we have a higher chance of staying ahead of the curve in the next revolutionary wave of the supply chain.

We are diligently preparing ourselves for the next era, aiming to create more growth opportunities for the next chapter of A-Sonic.

JANET TAN

Chief Executive Officer

BOARD OF DIRECTORS

MS JANET LC TAN

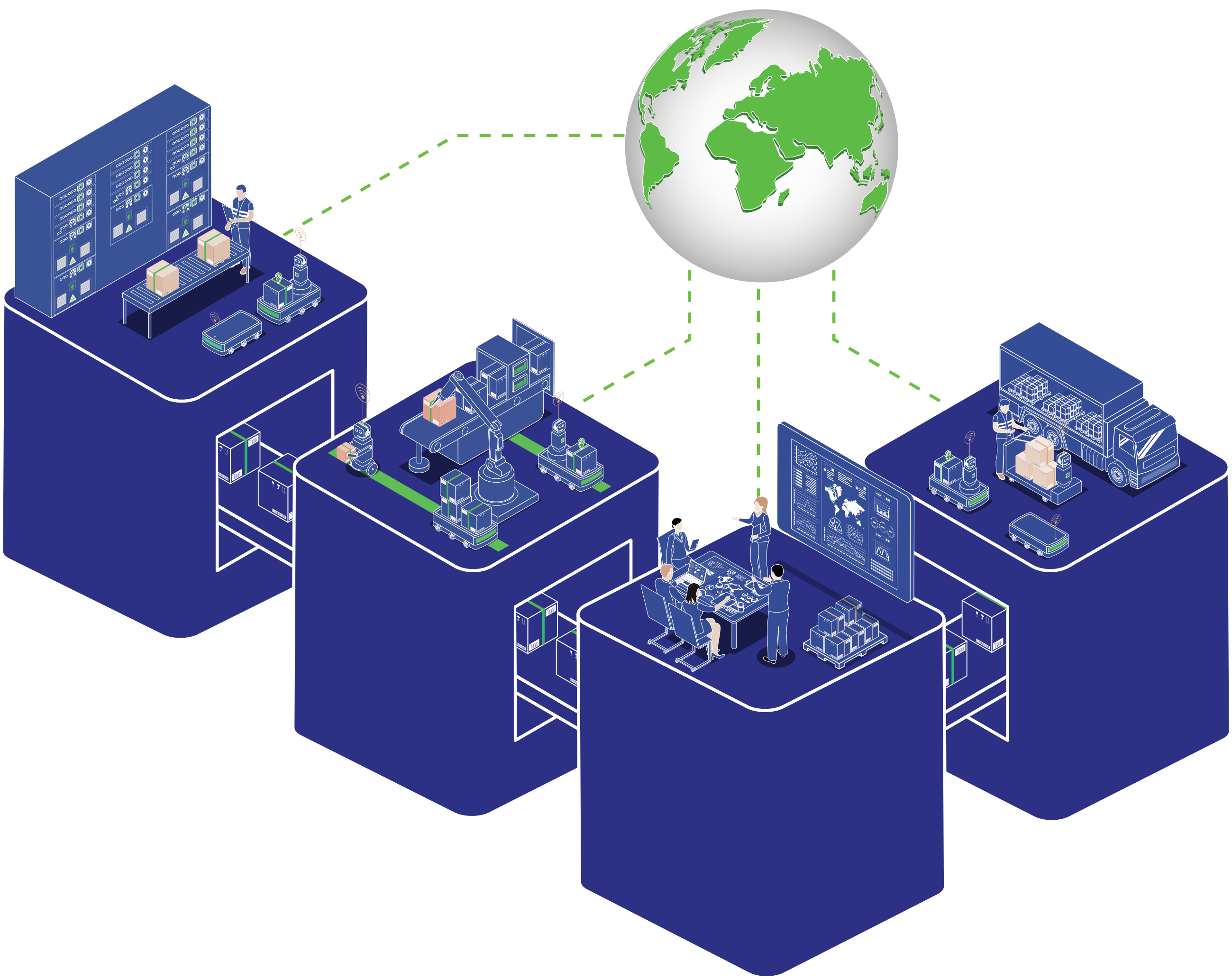
Ms Janet LC Tan is the promoter founder and Chief Executive Officer. Her responsibilities include setting the overall long-term business direction, developing business strategies, and implementing growth strategies for the A-Sonic Aerospace and its subsidiaries ("A-Sonic Group"). She is a sibling of Ms Tan Lay Yong Jenny.

MS TAN LAY YONG JENNY

Ms Jenny Tan is the co-founder and the Executive Director. Her responsibilities include overall operational, administrative management, information technology systems and human resources of the aviation business. She has a Bachelor of Science degree from the National University of Singapore. She is a sibling of Ms Janet LC Tan.

MS IRENE TAY GEK LIM

Prior to joining the group, **Ms Irene Tay Gek Lim** was from the financial services industry. She graduated with degrees in accounting and law from Monash University, Australia, and post-graduate studies in law and banking from the National University of Singapore and University of Southampton, United Kingdom, respectively. Her responsibilities include overseeing the logistics business unit under the branding "A-Sonic Logistics".



BOARD OF **DIRECTORS**

MR GURBACHAN SINGH

Mr Gurbachan Singh started his career as a legal officer with the Inland Revenue Department (Ministry of Finance) in 1977. He was appointed as a judicial officer at the Subordinate Courts in 1986. Between 1991 to December 2013, he was the Partner and later the Managing Partner of a large law firm. Currently, he runs a law firm, GSM Law LLP where he is the Managing Partner.

He is a member of the STEP and Singapore Chartered Tax Professional (SCTP). He was also a Director of Tax Academy of Singapore and Honorary Tax Advisor to the Real Estate Developers' Association of Singapore (REDAS).

He graduated with a Bachelor of Law degree from National University of Singapore (the then University of Singapore) in 1977.

MR LEONARD ONG CHEE HEIN

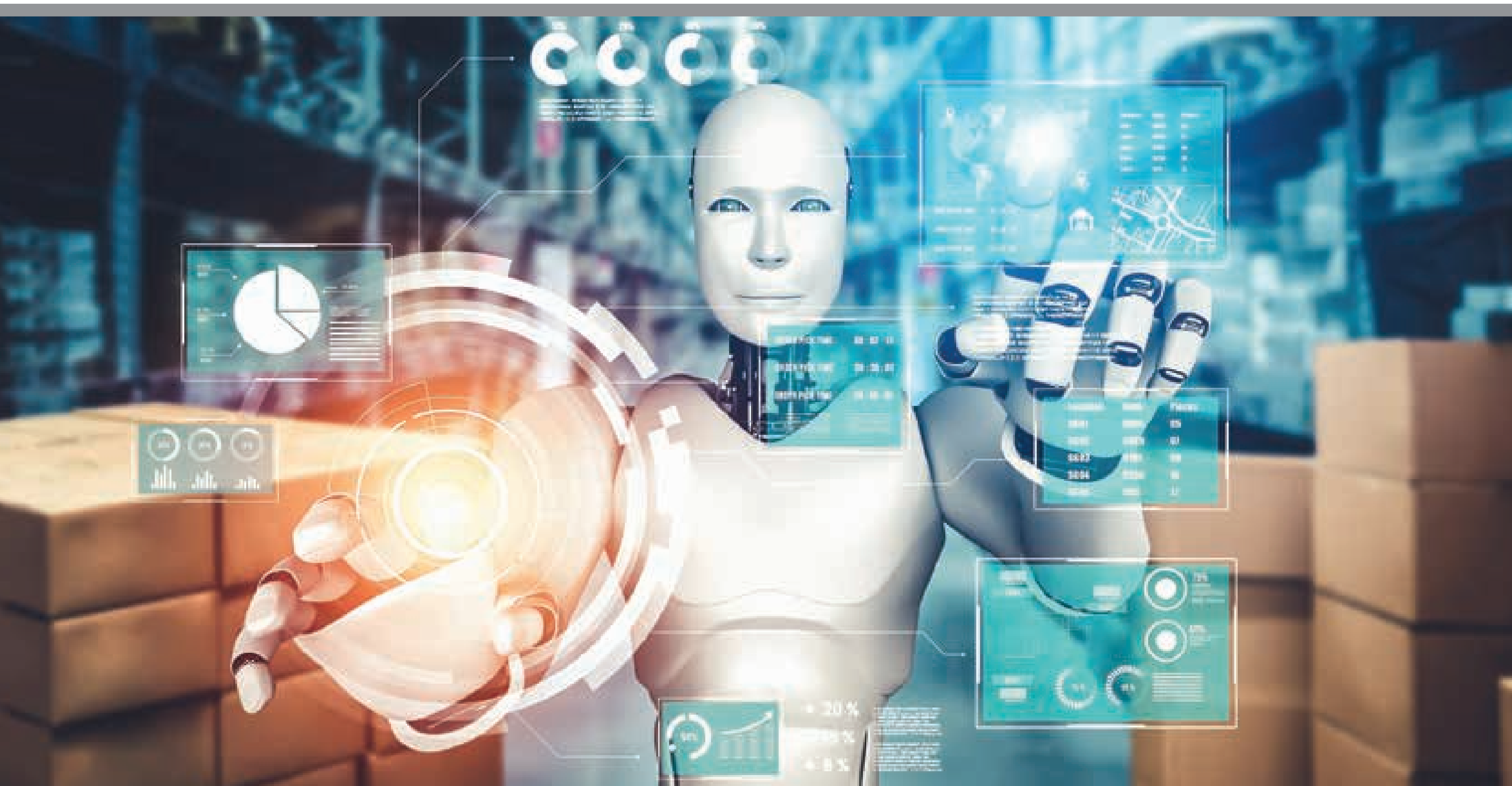
Mr Leonard Ong Chee Hein was with a Big 4 international accounting firm for over 30 years until his retirement recently as a senior tax partner. Throughout his career, he was involved in various corporate taxation work with companies from a wide range of industries, from cross border tax planning and structuring, to advising from a mergers and acquisitions point of view and efficient tax planning.

He has also advised and assisted numerous companies apply for various tax incentives and concessions, tax rulings and tax clarifications from the Inland Revenue Authority of Singapore, the Ministry of Finance and the Monetary Authority of Singapore.

At various points in his career, he was also an Executive Committee Member of the International Fiscal Association – Singapore Branch, an honorary tax adviser to the Real Estate Developers' Association of Singapore, and a tax sub-committee member of the Asia Pacific Real Estate Association.

He holds a Masters of Science degree from the renowned Imperial College of Science, Technology and Medicine in the UK.

He is also an accredited tax advisor (income tax and GST) and is a member of the Singapore Chartered Tax Professionals ("SCTP").



BOARD OF **DIRECTORS**

MR LIM SOON HOCK

Mr Lim Soon Hock has more than 30 years of experience as a board member, CEO, technopreneur and private investor, across various highly competitive industries in a global environment.

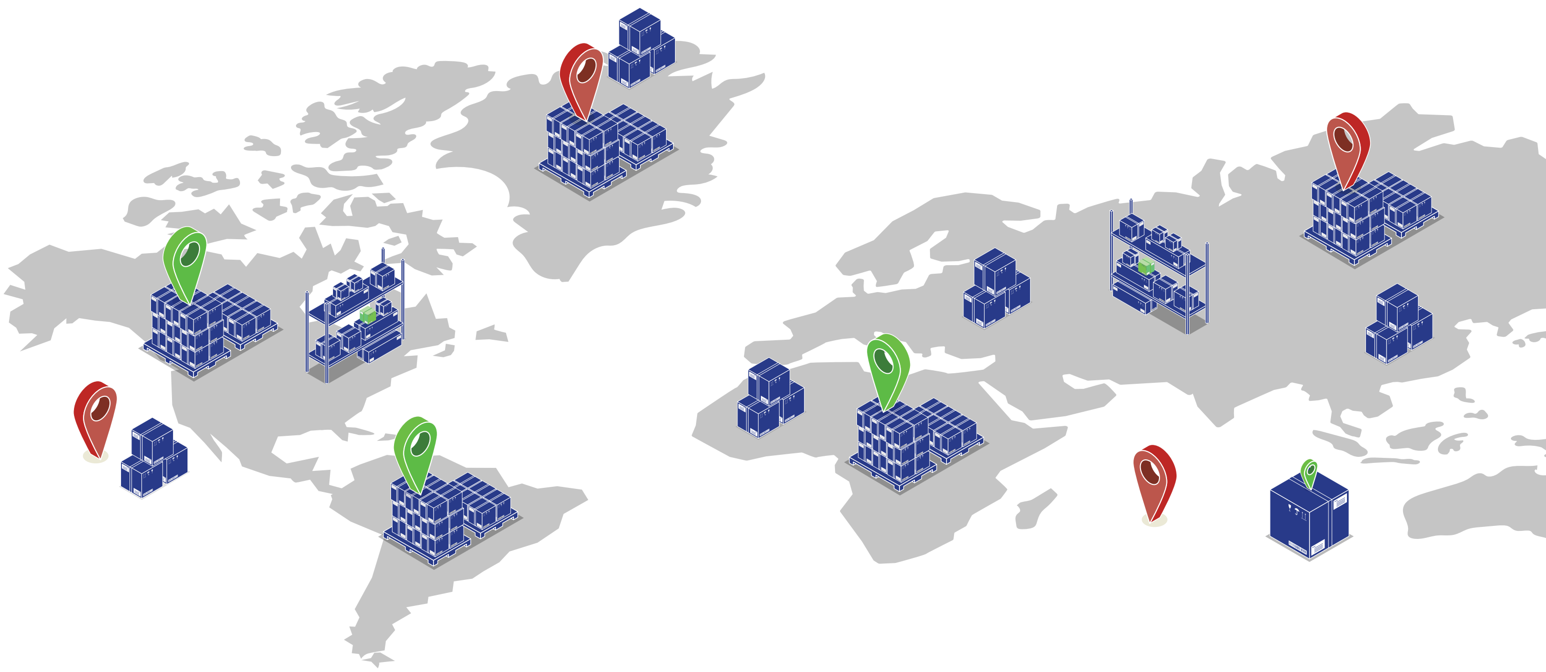
After stepping down from Compaq Computer Asia Pacific, where he was the first Asian appointed to the position of Vice President and Managing Director for Asia Pacific, he had been involved in taking companies public, M&As and consulting for several global MNCs and promising SMEs.

He is a Board Member and/or Senior Advisor of several public listed and private companies.

He received numerous accolades in recognition of his work and public service including the Supercomputing Asia 2019 – Singapore HPC-Pioneer & Achievement Award, 2014 National Day Public Service Star, 2009 National Day Public Service medal, 2012 President's Award for Volunteerism (Individual), 2016 Outstanding Volunteer Award (Open Category) from State Courts Singapore as a Volunteer Mediator, 2012 IES Outstanding Volunteer Award, 2011 MCYS Outstanding Volunteer Award, 2010 IES-IEEE Joint Medal of Excellence Award, 2010 Honorary Fellow of ASEAN Federation of Engineering Organisations, 2009 NUS Distinguished Alumni Service Award and 1992 NUS Distinguished Engineering Alumni Award.

He is a Fellow of the Institution of Engineers Singapore, Academy of Engineering Singapore, Institution of Engineering & Technology, UK, Singapore Computer Society, Singapore Institute of Directors, Singapore Institute of Arbitrators, and Honorary Fellow of ASEAN Federation of Engineering Organisations.

He is also a retired Justice of the Peace, a Mediator at our State Courts Singapore, Singapore Mediation Centre and Singapore International Mediation Institute, an Adjunct Professor at the National University of Singapore, author and speaker.



FINANCIAL **PERFORMANCE**

A-Sonic Aerospace Limited and its subsidiaries (the "**A-Sonic Group**" or the "**Group**") are engaged in two areas of businesses, aviation and logistics. We operate in 28 cities in 15 countries, spanning four (4) continents in Asia, North America, Europe, and Sub-Continent India. Our staff strength was approximately 553 personnel as at 31 December 2024.

We are engaged in the purchase and sale of aircraft and aircraft engines.

We are also engaged in providing supply chain management services. We specialize in various aspects of logistics solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and air cargo handling services.

FINANCIAL HIGHLIGHTS

In 2024, A-Sonic Group navigated subdued global economic growth and multiple headwinds including: (i) adverse trade policy shifts and policy uncertainty; (ii) escalating conflicts and geopolitical tensions; (iii) more extreme weather events related to climate change; (iv) supply chain disruptions; and (v) weaker growth in major economies.

Despite an indeed tumultuous 2024 year, the A-Sonic Group achieved an increase of US$59.917 million (27.7%) in "Turnover" to US$275.944 million for the twelve months ended 31 December 2024 ("**FY 2024**"). Consolidated "Profit before tax" increased three (3) folds to US$3.637 million in FY 2024. In tandem, our "Net profit attributable to equity holders of the Company" increased 193.5% to US$2.885 million.

All our three (3) business units performed better. Our aviation business unit marginally narrowed losses. Our logistics business unit operating under the "A-Sonic Logistics" brand name posted an increase in earnings. Meanwhile, our logistics business unit operating under the "UBI Logistics" brand name managed to turnaround and achieved profits.

FINANCIAL **PERFORMANCE**

INCOME STATEMENT

Revenue

FY 2024 vs FY 2023

Our "Total Revenue" comprised "Turnover" and "Other Income". We recorded a "Total Revenue" of US$278.418 million in FY 2024, compared to US$218.524 million in FY 2023. This represented an increase of 27.4% (US$59.894 million). The higher "Total Revenue" was attributable to a US$59.917 million increase in our "Turnover".

For FY 2024, "Turnover" increased US$59.917 million to US$275.944 million, compared to US$216.027 million in FY 2023. All our three (3) business units recorded higher "Turnover". Of the US$59.917 million increase in "Turnover", our logistics business recorded US$59.914 million increase in FY 2024, compared to FY 2023. Our logistics business "Turnover" increased in part owing to the recovery in freight rates relative to the freight rates in FY 2023; and partly due to higher cargo volume output from our customers. The improvement in FY 2024 was largely in North Asia. While the China-USA trade lane remained the largest, there was a greater diversification to other trade lanes, including South America, Europe & Mediterranean, Middle East, Red Sea, India Sub-Continent, Africa, Canada, and others.

"Other income" remained relatively unchanged at US$2.474 million in FY 2024, compared to US$2.497 million in FY 2023, as a result of offsetting items elaborated below:

(i) "Interest income" grew US$0.264 million (31.7%) to US$1.096 million, largely attributable to higher amount of cash maintained in better yielding accounts;

(ii) A write back provisions of liabilities of US$0.160 million in FY 2024, which was absent in FY 2023; and

(iii) The above two increases in item (i) and item (ii) above were however pared owing to lower (US$0.448 million) "Sundry income". Sundry income decreased, largely due to a write back of trade payables in FY 2023, but was absent in FY 2024.

Total Costs and Expenses

FY 2024 vs FY 2023

Our "Total costs and expenses" comprised substantially two (2) items (i) "Freight charges"; and (ii) "Staff costs". These two (2) items constituted approximately 97.5% of our "Total costs and expenses" in FY 2024:

(i) "Freight charges"

"Freight charges" are costs incurred resulting from our logistics business unit. "Freight charges" constituted approximately 90.9% (US$249.965 million) of our "Total cost and expenses" FY 2024. "Freight charges" increased US$60.262 million (31.8%) to US$249.965 million in FY 2024, compared to US$189.703 million in FY 2023. This was in line with our higher "Turnover" over the corresponding period, as elaborated in the section entitled *"Revenue"*, *"FY2024 vs FY2023"* of page 9; and

(ii) "Staff Cost"

"Staff cost" constituted approximately 6.5% (US$17.900 million) of our "Total cost and expenses" in FY2024, compared to 9.0% (US$19.505 million) in FY 2023. Our "Staff cost" decreased US$1.605 million (8.2%) to US$17.900 million in FY 2024, primarily due to a reduction in head count, particularly in North Asia as we endeavoured to improve productivity.

FINANCIAL **PERFORMANCE**

The remaining three (3) other costs (excluding "Freight charges" and "Staff cost") were largely "Depreciation of property, plant and equipment and investment property"; "Finance costs"; and "Other operating expenses". The latter three (3) cost items aggregated to US$7.056 million and constituted approximately 2.6% of our "Total costs and expenses" in FY 2024. This was US$1.027 million lower than in FY2023, substantially owing to a decrease of US$0.958 million in "Other operating expenses" of our logistics business unit. The reduction in "Other operating expenses" were largely attributable to:

(i) We recorded foreign currency exchange gain of US$0.245 million in FY 2024, compounded to the loss of US$0.286 million in FY 2023. This was largely due to the stronger United States Dollar versus the other regional currencies of the countries that we operate in. Our reporting and functional currency is in United States Dollar; and

(ii) US$0.441 million lower "Allowance for doubtful trade debt" in FY2024, compared to FY2023.

Profit Before Tax and Net Profit Attributable to Equity Holders of the Company

FY 2024 vs FY 2023

Despite an indeed tumultuous FY 2024, we achieved a consolidated "Profit before tax" of US$3.637 million, a three-fold increase, compared to FY 2023. All our three (3) business units performed better. Our aviation business unit marginally (US$0.022 million) narrowed losses. Our logistics business unit operating under the "A-Sonic Logistics" brand name posted "Profit before tax" of US$3.839 million. Meanwhile, our logistics business unit operating under the "UBI Logistics" brand name achieved a turnaround to register "Profit before tax" of US$0.132 million, compared to a loss of US$1.178 million in FY2023.

Our Group recorded "Profit before tax" of US$3.637 million in FY 2024, compared to US$0.880 million in FY2023. "Profit before tax" increased US$2.757 million, primarily attributable to:

(i) a reduction of US$1.605 million in "Staff costs" as a result of lower head count, particularly in North Asia; and

(ii) a reduction of US$0.958 million in "Other operating costs" for the reasons as elaborated in the section entitled "Total costs and expenses", "FY 2024 vs FY 2023" of pages 9 and 10.

Our "Profit after tax" increased US$2.804 million to US$3.247 million in FY 2024, compared to US$0.443 million in FY 2023, for similar reasons elaborated above.

In tandem, our "Net profit attributable to equity holders of the Company" increased 193.5% to US$2.885 million in FY 2024, compared to US$0.983 million in FY 2023.

We recorded "Total comprehensive income attributable to equity holders of the Company" of US$2.427 million in FY 2024, up 137.9% compared to FY 2023. The increase in terms of percentage point was less than the 193.5% increase in our "Net profit attributable to equity holders of the Company" primarily due to the (appreciation) of the United States Dollar, against a few currencies in the countries we operated in, for example Singapore Dollar, Euro, and British Pound. The translation of certain of our subsidiaries' local financial statements into our Group's United States Dollar presentation currency recorded a negative currency translation of US$0.476 million in FY 2024.

BALANCE SHEET

Non-current assets

The Group's "Non-current assets" increased 0.4% (US$0.023 million) to US$6.588 million as at 31 December 2024 ("end FY 2024"), compared to US$6.565 million as at 31 December 2023 ("end FY 2023"). The increase was mainly attributable to an increase of US$0.164 million in "Deferred tax assets" in FY 2024, which was absent in FY 2023, due to tax credits for entities with tax losses carried forward and provisions from past years were available for utilization. The increase was however pared by a decline of USD$0.229 million (4.1%) in "Property, plant and equipment" to US$5.340 million as at end FY 2024. "Property, plant and equipment" decreased largely owing to depreciation in our "Property, plant and equipment" in FY2024.

FINANCIAL **PERFORMANCE**

Our "Non-current assets" comprised substantially (81.1%) "Property, plant and equipment", and the breakdown were as follows as at 31 December 2024:

	Items	US$'000
1	Leasehold office; Building on freehold land; and freehold land	1,918
2	Motor vehicles (deployed for our logistics business)	1,316
3	Other assets	355
4	Right-of-use	1,751
		5,340

Current assets

Our "Current assets" increased US$0.544 million (0.7%) to US$81.410 million as at end FY 2024 largely due to:

(i) US$1.723 million (5.3%) increase in "Trade and other receivables" to US$34.203 million as at end FY 2024, from US$32.480 million as at end FY 2023;

(ii) US$0.706 million increase in "Contract assets" arising from our rights in consideration for services rendered, but yet to be billed as at end FY 2024; and

(iii) US$0.258 million increase in "Tax recoverable" to US$0.259 million as at end FY 2024, from US$0.001 million as at end FY 2023. This was largely due to timing difference, particularly in countries where corporate taxes were paid in advance.

The increases in "Current assets" in items (i), (ii), and (iii) in the preceding paragraph were, however, partially offset by an decrease of US$2.143 million in our "Cash and cash equivalent" to US$45.430 million as at end FY 2024. The reduction in "Cash and cash equivalent" was primarily utilised to finance the higher "Turnover" in the last few months of FY 2024, as elaborated in the section entitled *"Revenue"*, *"FY 2024 vs FY 2023"*, at page 9.

Non-current liabilities

"Lease liabilities" decreased US$0.026 million to US$0.868 million as at end FY 2024. This was largely due to partial repayment of "Lease liabilities" relating to leases for offices, and motor vehicles deployed in our logistics business.

Current liabilities

"Current liabilities" decreased US$1.967 million to US$38.786 million as at end FY 2024, from US$40.753 million as at end FY2023, substantially due to:

(i) US$2.440 million decline in "Trade and other payables", in part due to more on-time payments to ocean liners and air carriers to secure cargo space; and

(ii) the absence of provisions of liabilities of US$0.160 million as at end FY 2024, which was present as at the end FY2023.

Net assets and equity

Excluding "Non-controlling interests", our "Equity attributable to equity holders of the Company" was up by US$2.227 million (4.9%) to US$47.257 million as at end FY2024. The increase was attributable to the "Accumulated profits" of US$2.897 million as at end FY 2024, compared to US$0.212 million as at end FY 2023.

CASH FLOW

FY 2024 vs FY 2023

"Net cash used in operating activities" was US$0.559 million in FY 2024, compared to "Net cash generated from operating activities" of US$1.023 million in FY 2023 largely due to:

(i) the "Operating cash flow before working capital changes" generated cash amounted to US$3.909 million in FY 2024, compared to US$2.059 million in FY 2023. The increase was in line with higher "Profit before tax" generated for FY 2024 as compared to FY 2023, as elaborated in the section *entitled "Profit Before Tax and Net Profit Attributable to Equity Holders of the Company"*, *"FY 2024 vs FY 2023"*, at page 10.

FINANCIAL **PERFORMANCE**

(ii) cash used in "Receivables and contract assets" in FY 2024 was US$1,940 million, compared to cash generated from "Receivables and contract assets" of US$4.908 million in FY 2023. The reduction was mainly attributable to slower collections from the receivables in FY 2024, as compared to FY 2023. Furthermore, higher revenue was generated near to year end, leading to the receivables remained uncollected as at FY 2024 and contract liabilities;

(iii) cash used in "Payables and contract liabilities" in FY 2024 was US$2.629 million, compared to US$5.047 million in FY 2023. This was largely due to lesser payments made to the vendors in early FY 2024 which were relating to FY 2023 outstanding balances as a result of lower freight charges incurred close to year end FY 2023 as compared to prior year; and

(iv) "Income tax paid" in FY 2024 was US$0.516 million while US$0.809 million was paid in FY 2023 due to utilization of tax credits for entities with tax losses carried forward from past years.

"Net cash generated from investing activities" amounted to US$0.981 million in FY 2024, compared to US$0.731 million in FY 2023. The "Net cash generated from investing activities" was mainly due to "Dividend received" of US$0.476 million, "Proceeds from disposals of property, plant and equipment" of US$0.140 million and "Interest received" of US$0.913 million offset by the "Purchases of property, plant and equipment" of US$0.548 million in FY 2024. Whilst in FY 2023, the "Net cash generated from investing activities" was attributed to "Dividend received" of US$0.446 million, "Proceeds from disposals of property, plant and equipment" of US$0.132 million and "Interest received" of US$0.832 million offset by the "Purchase of property, plant and equipment" of US$0.679 million.

"Net cash used in financing activities" amounted to US$1.364 million in FY 2024, compared to US$4.018 million in FY 2023. The "Net cash used in financing activities" was largely attributed to "Repayment of lease liabilities" and "Dividend paid" of US$1.301 million and US$0.196 million respectively in FY 2024. Whilst in FY 2023, the "Net cash used in financing activities" was largely attributed to "Repayment of lease liabilities", "Repayment to a director/shareholder of a subsidiary" and "Dividend paid" of US$1.320 million, US$2.116 million and US$0.694 million respectively.

CORPORATE **GOVERNANCE STATEMENT**

A-Sonic Aerospace Limited ("A-Sonic") is committed to high standards of corporate governance and endorses the principles and provisions of the *Code of Corporate Governance issued on 6 August 2018 ("2018 Code")* to protect the interests of its shareholders and taking into account the interests of its stakeholders. This report describes the Company's corporate governance processes and activities with specific reference to the 2018 Code. The Company has adhered to the provisions that underpin the principles set out in the 2018 Code to such extent and as best as it can. In areas which the Company has not adhered to, the Company has adopted the "comply or explain" requirement.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Board of Directors (the "Board") oversees the overall management of the Group, approves the Group's broad policies, strategies and financial objectives. Apart from discharging their statutory and fiduciary responsibilities both individually and collectively, the other principal roles of the Board include:

(a) provides entrepreneurial leadership and ensure necessary financial and human resources are in place for the Company and Group to meet its objective;

(b) oversees the process and framework for evaluating the adequacy of internal controls, risk management, financial reporting and compliance and satisfy itself as to the adequacy and effectiveness of such processes and framework;

(c) reviews management performance;

(d) nominates its directors for appointments to the various Board committees;

(e) identifies key stakeholders of the Group, evaluates their impact and identifies material issues;

(f) sets sustainability strategy and reviews the effectiveness of sustainability strategy and seek area of improvement; and

(g) sets the tone for A-Sonic on values and ethics.

The Company has established policy on conflicts of interest to guide directors in their dealings with any conflict of interest. Where a director has a conflict of interest, or it appears that a director might have a conflict of interest, in relation to any matter, that director shall immediately declare his/her interest at a meeting of the directors or send a written notice to the Company containing details of his/her interest and the conflict, and recuse himself/herself from participating in any discussion and decision on the matter.

Upon appointment to the Board, each director will receive a Directors' guidebook which sets out the director's duties and responsibilities and the Board governance policies and practices. The Director's guidebook will be maintained by the company secretary. A director is expected to allocate adequate time to address the Company's corporate affairs.

The Company has an orientation program in place for incoming directors to familiarize them with the Company's business and governance practices. To keep pace with regulatory changes, the directors are provided with information, updates and appropriate training from time to time including any changes in legislation and financial reporting standards, government policies, regulations and guidelines from SGX-ST that affect the Company and/or the directors in discharging their duties.

CORPORATE **GOVERNANCE STATEMENT**

Briefings and updates provided for directors in FY2024 included:

- The external auditors briefed and updated the Audit & Risk Management Committee ("ARMC") on the changes to accounting standards and developments in issues with a direct impact on financial statements as well as governance standards;
- The Chief Executive Officer ("CEO") updated the Board at each Board meeting on the Group's business and strategic developments; and
- The Executive Directors updated the operational and risk management issues to the Board.

As an established practice, the Company has set approval limits for operating and capital expenditure, the procurement of goods and services and the acquisition and disposal of investments. The Board will approve transactions above certain threshold limits while delegating the approval for transactions below the threshold limits to the CEO. The matters that require the specific review and approval of the Board are:

(a) material acquisition or divestment proposals;

(b) matters involving potential conflict of interest for a substantial shareholder or a director;

(c) corporate or financial restructuring;

(d) corporate announcements to the public;

(e) half yearly and yearly financial results;

(f) related parties transactions; and

(g) share issuances, dividend distribution, share buy-back and other returns to shareholders.

As at 31 December 2024, the Board comprised three executive directors and three non-executive directors, with relevant and diverse experience to contribute effectively to the Group. All of the three non-executive directors were independent directors. The Board conducted regular scheduled meetings. Ad hoc meetings were also convened when circumstances required. To facilitate the attendance and participation of directors at Board meetings, the Company's Constitution provides for directors to participate in Board meetings by telephone conference or video conference.

The Board was supported by the ARMC, the Nominating Committee ("NC") and the Remuneration Committee ("RC") for effective discharge of their responsibilities. These committees were formed in August 2003 with written terms of reference and were chaired by independent directors. The terms of reference of the various Committees are described in this report.

CORPORATE **GOVERNANCE STATEMENT**

Two (2) Board meetings, three (3) ARMC meetings, one (1) NC meeting and one (1) RC meeting were conducted in financial year 2024. The attendance of the Board members for each meeting is set out in the table below:–

	Board	Audit & Risk Management Committee	Nominating Committee	Remuneration Committee
Board of Directors(1)				
1. Janet LC Tan	2/2			
2. Tan Lay Yong Jenny	2/2			
3. Irene Tay Gek Lim	2/2			
4. Gurbachan Singh	2/2			
5. Leonard Ong Chee Hein	2/2			
6. Lim Soon Hock	2/2			
Audit & Risk Management Committee(2)				
1. Leonard Ong Chee Hein		3/3		
2. Gurbachan Singh		3/3		
3. Lim Soon Hock		3/3		
Nominating Committee(2)				
1. Gurbachan Singh			1/1	
2. Janet LC Tan			1/1	
3. Leonard Ong Chee Hein			1/1	
Remuneration Committee(2)				
1. Gurbachan Singh				1/1
2. Leonard Ong Chee Hein				1/1
3. Lim Soon Hock				1/1

(1) The composition of the Board of Directors as at 31 December 2024.

(2) The composition of the respective committees as at 31 December 2024.

The management had provided adequate and timely information to the Board and each of the respective committees on affairs and issues that required the Board and the respective committees' attention.

The Board was responsible to provide timely and full disclosure of material information to shareholders in compliance with statutory requirements. The Board was updated on the Group's half year and full year financial results in accordance with the SGX listing rules. In communicating and disseminating the Group's consolidated financial results showing the segmental results, the Company presented a balanced and understandable assessment of the Group's performance, position and prospects.

The Board ensured compliance with the Listing Rule of SGX-ST. In this regard, each director had signed an undertaking in the form set out in Appendix 7.7 of the Listing Manual to comply to their best of their abilities with the Listing Rules and to use their best endeavors to procure that the Company shall so comply.

CORPORATE **GOVERNANCE STATEMENT**

In order to fulfill their responsibilities, Board members were provided with complete and timely information such as the Board papers, financial results and supporting documents pertaining to the agenda, prior to Board meetings. In addition, the Board was also furnished with relevant information at all times to enable the Board to make informed decisions to discharge their duties and responsibilities. Board members had separate and independent access to the management team and company secretaries. The Board sought and obtained independent professional advice as and when necessary to enable it, or the independent directors, to discharge their responsibilities effectively. Company secretaries attended all board meetings, ensuring Board procedures were complied with. Company secretaries assisted the Board in the following:

(i) ensured Board procedures were followed and complied with the Company's Constitution, the Companies Act, the Securities and Futures Act and the SGX-ST Listing Manual;

(ii) ensured good information flow within the Board and its board committees and between Management and non-executive directors;

(iii) advised the Board on all governance matters; and

(iv) facilitated the orientation and assisted with professional development as required.

The appointment and removal of company secretary is subject to approval of the Board.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

As at 31 December 2024, the Board comprised three (50%) executive directors and three (50%) non-executive directors. All of the three non-executive directors were independent directors. In this regard, half of the Board was considered independent. In addition, the Board had a balance of gender comprising three (50%) male members and three (50%) female members. The Company did not have nominee director.

Provision 2.2 of 2018 Code recommends that independent directors make up a majority of the Board where the Chairman is not independent and Provision 2.3 recommends that non-executive directors make up a majority of the Board. During the 2024 financial year, neither the independent directors nor the non-executive directors made up majority of the Board. This varied from Provisions 2.2 and 2.3 of the 2018 Code. However, the Company was of the view that the intent of Principle 2 of the 2018 Code was met as the independent non-executive directors comprised half of the Board and the diversity of thoughts of these directors enabled them to make decisions in the best interests of the Company.

Key information regarding the directors is given in the "Board of Directors" section of the annual report. The independence of each director is reviewed annually by the NC. The NC adopts the 2018 Code definition of what constitutes an independent director in its review.

The basis of determination by the NC takes into account the annual confirmation of independence (the "Confirmation") completed by each independent director. Each independent director is required under the Confirmation to critically assess his independence and to confirm whether he considers himself independent.

CORPORATE **GOVERNANCE STATEMENT**

In addition to the preceding paragraph, we had also compiled with Listing Rule 210 (5)(d) which proved that: "A director will not be independent under any of the following circumstances: (i) if he is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years; (ii) if he has an immediate family member who is, or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the issuer; and (iii) if he has been a director who has been a director of the issuer for an aggregate period of more than 9 years. Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer."

The non-executive directors of the Company: (1) Mr Gurbachan Singh; (2) Leonard Ong Chee Hein; and (3) Mr Lim Soon Hock, were independent as: (i) none of them was employed or had been employed by the Company or any of its related corporations in the current or any past three financial years; (ii) none of them had any immediate family member who was employed or had been employed by the Company or any of its related corporations in the current or any past three financial years; and (iii) none of them had been a director of the Company for an aggregate period of more than 9 years. Hence, the Company had complied with Listing Rule 210 (5)(d) in assessing the independence of the non-executive directors.

During Board meetings, the non-executive directors participated actively in discussions on key matters pertaining to the Group. They gave constructive comments and suggestions to help develop the Group's strategic and business plans. They reviewed the performance of Management in meeting goals and objectives and evaluated their performance.

The NC was of the view that the Board comprised members who had the relevant core competencies to achieve the Group's objectives. The NC constantly examined the size of the Board with a view to determine its impact and its effectiveness.

The NC, in carrying out its duties of evaluating the optimal composition and renewal process of the Board, will consider candidates who bring diversity of background and industry or related expertise and experience. In identifying potential candidates and making recommendations of Board appointments to the Board, the NC's considerations include achieving an appropriate level of diversity in the Board composition having regard to diversity factors such as age, ethnicity and educational, business and professional background of its members. Gender diversity and representation are also considered an important aspect of diversity.

The Board values the benefits that diversity in work experience can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability, and provides the Company the opportunity to benefit from all available talent and perspectives, which is essential to the effective governance of the business and for long-term sustainable growth.

In line with the board diversity policy, our Board comprised six (6) members who collectively possessed entrepreneurial, management experience, financial, accounting, legal, regulatory background, and risk management. The board component was equally balanced in gender diversity.

The Board had appointed one of its independent directors, Mr Gurbachan Singh, Chairman of the NC and RC, as the lead independent director. The lead independent director acted as the leader of the independent directors at board meetings in raising queries and pursuing matters; and lead meetings of independent directors without the presence of the executive directors. After the meeting among the independent directors, the lead independent director provided verbal feedback to the Chairman and the feedback was recorded for further actions.

CORPORATE **GOVERNANCE STATEMENT**

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Ms Janet LC Tan was both the Chairman of the Board ("Chairman") and the CEO of the Group. Provision 3.1 of 2018 Code recommends that the Chairman and Chief Executive Officer are separate persons. However, the Company varied from this provision. The Board was of the view that it was not necessary to separate the roles of the Chairman and the CEO given the current corporate structure and scope of the Group's operations. There was also a balance of power and authority with the various committees chaired by independent directors.

As a Chairman, Ms Janet LC Tan's responsibilities were as follows:

(a) led Board to enable the Board to discharge its duties effectively, and to maintain and enhance the Group's standards of corporate governance;

(b) set the agenda and ensure that sufficient information and time are available to discuss all items on the agenda;

(c) promoted openness and debate by all directors at the Board meetings;

(d) facilitated effective communication with shareholders; and

(e) encouraged constructive relations within Board.

The CEO was responsible for the day-to-day management of the Group as well as the exercise of control over the quality, quantity and timeliness of information flow between the Board and the Management and in developing the business of the Group.

As the CEO and Chairman was the same person, the Board had appointed one of its independent directors, Mr Gurbachan Singh, Chairman of the NC and RC, as the lead independent director. The lead independent director acted as a bridge between independent directors and the Chairman and was also available to shareholders if they had concerns relating to matters which contact through the normal channels of Chairman/CEO or executive directors had failed to resolve, or where such contact was inappropriate.

PRINCIPLE 4: BOARD MEMBERSHIP

The Company's Constitution requires one-third of the directors to retire from office by rotation and subject themselves to re-election by shareholders at every Annual General Meeting (AGM). Every director must retire from office and may submit himself for re-nomination and re-election at least once every three years. The Company has no alternate directors on its Board.

In 2024, the NC comprised three members, two of whom were independent directors. The Chairman was Mr Gurbachan Singh, who was the lead independent director. Other members of the NC were Ms Janet LC Tan and Mr Leonard Ong Chee Hein. The terms of reference of the NC includes:

(a) to make recommendations to the Board on the re-nomination and re-election of directors, having regard to each director's contribution and performance;

(b) to review on an annual basis whether a director was independent;

(c) to review whether a director who had multiple board representations was able to and had been adequately carrying out his duties as director of the Company; and

(d) to make recommendations to the Board on new appointments to the Board.

CORPORATE **GOVERNANCE STATEMENT**

The NC will review the range of skills, expertise, attributes and composition of the Board. It is the responsibility of the NC to identify whether there is a need for an additional director to join the Board or an existing director is required to retire from office. The NC will shortlist candidates with the appropriate profile for nomination or re-nomination. In the evaluation of the performance and contribution of a director, the NC considers factors such as attendance, participation, requisite skills, and related knowledge of the director.

Key information regarding the directors is disclosed on page 3: "Corporate Information", 5: "Board of Directors" and 93: "Additional Information on Directors Seeking Re-Election" of this annual report, respectively.

In line with 2018 Code, the NC introduces the Board Performance Evaluation Annual Assessment Form which evaluates, amongst others, the contribution by the director, the uniqueness of skills and participation in meetings.

2018 Code requires listed companies to disclose the principal commitments and board representations on other listed companies that their directors may hold, in the annual report. The NC has set the guidelines on the maximum number of board appointment in listed companies that a director could hold to ensure that directors were able to commit their time to effectively discharge their responsibilities. Based on the guidelines set by the NC, each director cannot have more than nine listed board representations including the Company.

The list of directorships or chairmanships held by one of our non-executive independent directors, Mr Lim Soon Hock, as at date of this annual report for the past 3 years in other listed companies were:

Name of Director	Company	Date of Appointment	Date of Resignation/ Retirement
Lim Soon Hock	China Fishery Group Limited	16 January 2006	–
	Heatec Jietong Holdings Ltd.	01 May 2018	–
	DISA Limited	11 May 2017	–

PRINCIPLE 5: BOARD PERFORMANCE

The NC will review and evaluate the performance of the Board as a whole once a year, taking into consideration attendance record at meetings of the Board and Board Committees, and the contribution of each individual director to the effectiveness of the Board. The assessment criteria covers areas such as board composition, information management, board processes, managing board's performance, effectiveness of Board Committees, director's development, and risk management.

Each director completed the Board evaluation questionnaire that encumbers areas mentioned above. The completed questionnaires were submitted directly to the company secretary who would collate the responses and present to the NC. The NC would analyze the report and present its findings to the Board. The Board would discuss the findings and agree on the appropriate actions to address the issues. The Chairman would follow up on the actions required.

After considering the results and action items from the 2023 Board and Board Committee evaluation report, the NC decided to use the same evaluation questionnaire for 2024.

CORPORATE **GOVERNANCE STATEMENT**

In respect of individual directors, an evaluation is also carried out on an annual basis. For 2024, the Board Chairman evaluated each individual director based on an appraisal framework as a guide. The evaluation criteria included director's duties, contributions and conduct.

The outcome of the 2024 evaluation was that each director pulled his or her weight, and contributed to Board deliberations. Each one of them participated actively and was fully engaged in Board deliberations. Additionally, directors worked well with one another, and with Management, contributing to the overall smooth functioning of the Board. Whilst collegial, deliberations at meetings were open, constructive, robust, and conducted on a professional as well as on a respectful basis. Management had also provided positive feedback on the performance and contributions of each individual director, noting that the relationship between the Board and Management was healthy and good. Directors were also generally accessible to Management outside the formal environment of Board and/or Board Committee meetings. As with the outcome for the Board and Board Committee evaluations, there were no concerns or issues affecting any director requiring attention or follow-up work.

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The RC makes recommendation to the Board on the framework of remuneration for the directors and key executives of the Company and its subsidiaries. Separate service agreements have been established for the executive directors.

In 2024, the RC comprised three members, all of whom were independent directors. The Chairman was Mr Gurbachan Singh. Other members of the RC were Mr Leonard Ong Chee Hein and Mr Lim Soon Hock.

The terms of reference of the RC include:

(a) to make recommendations to the Board on the framework of remuneration for the directors and key executives;

(b) to review remuneration packages of group employees who are immediate family members of any of the directors or substantial shareholders of the Company;

(c) to make recommendations to the Board on specific remuneration packages for each executive director and the CEO of the Company and its subsidiaries;

(d) to review all benefits and performance incentive schemes and compensation packages for the directors and key executives of the Company and its subsidiaries; and

(e) to review annual remuneration of Board and key management personnel to be disclosed in the Company's Annual Report.

In 2024, the RC did not deem it necessary to seek expert advice on remuneration of all directors, as they were of the view that remuneration is in line with our industry peers.

On an annual basis, the RC reviews the Company's legal obligation in the event of termination of an executive director or key management personnel. Such contracts of service shall contain fair and reasonable termination clauses.

CORPORATE **GOVERNANCE STATEMENT**

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

Remuneration of Executive Directors

The RC ensures the level and structure of remuneration is aligned with the long-term interest of the Company and the Group, and is appropriate to attract, retain and motivate the directors to provide good stewardship of and to run the Company successfully. Remuneration for executive directors comprises a base salary, and performance bonus tied to the Group's and individual's performance.

The Company's remuneration framework for its key executives comprises fixed pay and short-term and long-term incentives. The Company advocates performance based remuneration system that is flexible and responsive to the market. The remuneration is linked to the country/station's and individual key executive's performance.

The Company measures the performance of executive directors and key executives based on the financial performance of each subsidiary and non-financial indicators such as quality of earning streams indicated by customer base of that subsidiary.

The RC has the discretion not to award and forfeit the incentives component of the remuneration of the executive directors or key executives, in the event that any misstatement of financial statements or misconduct resulting in financial loss to the Company.

Remuneration of Non-Executive Directors

Our three (3) non-executive directors, who incidentally were also all independent directors, each had no service agreement (except for the letter of appointment) with the Company. Their terms in office were specified in the Constitution. When reviewing the structure and level of directors' fees for the non-executive directors, the RC takes into consideration the non-executive directors' respective roles and responsibilities in the Board, Board Committees, and the frequency of Board and Board Committee meetings.

The RC is mindful that the remuneration for non-executive directors shall not be excessive so as not to compromise or reasonably be perceived to compromise their independence. None of our RC members was involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him/her.

The Board concurred with the RC that the proposed directors' fees for the non-executive directors for the year ended 31 December 2024 was appropriate and not excessive, having regards to the level of contribution by each of the directors, effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of each non-executive director.

The RC recommended directors' fees for non-executive directors for the Board's approval. The framework for determining the non-executive directors' fees for the financial year ended 31 December 2024 remained the same as for the previous financial year.

CORPORATE **GOVERNANCE STATEMENT**

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

Disclosure on Directors' Remuneration

The following table shows the composition (in percentage terms) of the remuneration of directors of the Company for the financial year ended 31 December 2024:

Directors	Total remuneration S$	Fees %	Salaries %	Provident fund %	Bonus %	Allowances/ Benefits %	Total %
Chief Executive Officer(1)	550,283	7.3%	65.4%	4.5%	22.7%	0.1%	100.0%
Executive Director(2)	754,698	3.3%	50.9%	2.9%	34.0%	8.9%	100.0%
Executive Director(3)	138,412	21.7%	60.7%	9.9%	5.0%	2.7%	100.0%
Independent Director(4)	35,000	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Independent Director(5)	25,000	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Independent Director(6)	25,000	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Notes:

Directors

(1) *Janet LC Tan, first appointed as director on 3 March 2003 and last re-elected on 26 June 2020. Janet LC Tan is a substantial of shareholder of the Company. She is a sibling of Ms Tan Lay Yong Jenny, who is also a director of the Company. Refer to Note (3) below.*

(2) *Irene Tay Gek Lim, first appointed as director on 20 May 2004 and last re-elected on 28 April 2022.*

(3) *Tan Lay Yong Jenny, first appointed as director on 3 March 2003 and last re-elected on 27 April 2021. She is a sibling of Ms Janet LC Tan, who is a director, Chief Executive Officer, Chairman, and a substantial shareholder of the Company.*

(4) *Gurbachan Singh, first appointed as director on 29 April 2016 and last re-elected on 28 April 2022.*

(5) *Lim Soon Hock, first appointed as director on 2 October 2023.*

(6) *Leonard Ong Chee Hein, first appointed as director on 2 October 2023.*

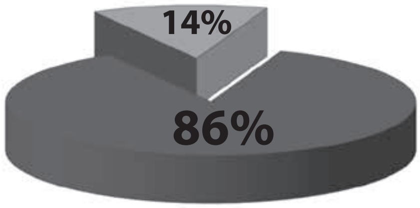
Ms Tan Lay Yong Jenny is the sister of the CEO/substantial shareholder, Ms Janet LC Tan. Disclosure on Ms Tan Lay Yong Jenny's remuneration is made in the above table under the section on "Disclosure on Directors' remuneration".

Disclosure on our senior management's remuneration

The bonuses for the Group's senior management were determined after taking into account the achievement of specified individual and organizational keys performance index set for 2024.

CORPORATE **GOVERNANCE STATEMENT**

Our senior management's aggregate total compensation amounted to approximately SGD 2.162 million in 2024. The chart below shows the mix of fixed and variable pay for our senior management for performance year 2024.



Notes:

We do not provide any other forms of fixed and variable remuneration aside from those disclosed in this section.

The Company had not disclosed the remuneration as the Board believed that such disclosure was not in the best interest of the Company, given the confidentiality and sensitivity nature of the remuneration matter among staff and the highly competitive business environment the Group operated in. The Board was of the view that disclosure of specific information may affect the retention of competent personnel in a competitive industry where poaching of executives is prevalent.

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Company's risk management and internal control structures consist of policies and procedures established to provide reasonable assurance to safeguard the assets of the Group against material misstatement, risks or loss. The Company's risk management and internal controls include the following:

(i) accounting and finance functions, including funding and liquidity risks;

(ii) operational risks arising from:

- (a) potential inadequate or weak internal processes, people or systems, or from external events;
- (b) credit risk of customers;
- (c) risk concentration;
- (d) geographical or country risk exposures; and
- (e) compliance of rules, regulations, or by-law;

(iii) information technology risks arising from weak controls. Our policy and procedures include preventive steps and measures taken, and procedures for remedial actions; and

(iv) reputational risks which are the risks relating to our shareholder value in the event of adverse publicity. This may in turn affect our business relationships with all stakeholders, including shareholders, staffs, customers, and service providers. Reputational risks tend to occur when the other risks are poorly managed.

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The Company had instituted a risk management and internal control framework, policies and systems to cover each of the above items in the preceding paragraph. The framework defines the roles and responsibilities of both business and support units. The design and implementation of risk management and internal control system were managed and reviewed by senior management. Key documentation, including delegation of authority, control process and operational procedures were disseminated to staff.

Our Audit & Risk Management Committee ("ARMC"), the composition and duties and responsibilities which are elaborated in Principle 10 on page 24 of this annual report, had the overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. The identification and day-to-day management of risks rest with Management. Management was responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals within an acceptable risk tolerance.

Periodic internal assessments in key areas of the Group's operations were conducted by Management to evaluate the adequacy and effectiveness of the risk management and internal control systems. The results of these assessments would be reported to ARMC. The significant risks in the Group's business, including mitigating measures, were reviewed by ARMC on a regular basis.

For the financial year ended 31 December 2024, the CEO and senior members of the Group's finance team had provided representation to the external auditors and ARMC on the integrity of the financial statements and on the adequacy and effectiveness of the risk management and internal control systems, addressing each of the risks items specified in the opening paragraph of this Principle.

PRINCIPLE 10: AUDIT COMMITTEE

In 2024, the ARMC comprised three (3) members, all of whom were independent and non-executive directors. The Chairman was Mr Leonard Ong Chee Hein. Other members of the ARMC were Mr Gurbachan Singh and Mr Lim Soon Hock. With their collective wealth of experience and expertise on accounting and financial management, the members of the ARMC were appropriately qualified to discharge their responsibilities competently. The terms of reference of the ARMC include:

(a) to review the financial statements and recommend to the Board for approval;

(b) to review the scope and results of the external audits and the independence and objectivity of the external auditors;

(c) to review the audit plans of the external auditors;

(d) to review the external auditors' reports;

(e) to nominate the external auditors for re-appointment;

(f) to review interested person transactions;

(g) to review financial results before announcements;

(h) to review adequacy and effectiveness of the internal audit function; and

(i) to review adequacy and effectiveness of risk management policies and internal control systems established by the Company. Further details on our risk management and internal controls are elaborated in Principle 9 on page 23 of this annual report.

The ARMC also reviews the significant financial reporting issues and assessments on the integrity of the financial statements of the Company and all corporate announcements.

CORPORATE GOVERNANCE STATEMENT

In addition, the Chairman of the ARMC is an accredited tax advisor (income tax and GST) and is a member of the Singapore Chartered Tax professionals ("SCTP") and kept himself abreast of the changes to and tax and accounting standards and issues. The ARMC meets with the external auditors without the presence of the Management, twice a year.

The ARMC oversees the scope, adequacy and results of external audit, and the independence and objectivity of the external auditors annually. For the financial year under review, the ARMC had reviewed all non-audit services provided by the Company's external auditors and was satisfied with their independence and objectivity. For details of fees payable to the auditors in respect of audit and non-audit services, please refer to Note 8 of the Notes to the Financial Statements on page 58 of this annual report.

The Company's external auditors, Baker Tilly TFW LLP, were registered with and regulated by the Accounting and Corporate Regulatory Authority. The ARMC had recommended to the Board the re-appointment of Baker Tilly TFW LLP as the Company's external auditors at the forthcoming AGM.

Having regard to the above, the Company had complied with Listing Manual Rule 712 in relation to the appointment of its external auditors.

The Company had also complied with Listing Manual Rule 715 (1) and (2); and Rule 716 (1) and (2) with regard to the appointment of auditors for its Singapore incorporated subsidiaries and associated companies; and in the appointment of auditors for its significant foreign-incorporated subsidiaries and associated companies.

None of the Company's ARMC members was a former partner of the Company's existing audit firm, in the last 2 years of his cessation as a partner of the auditing firm, nor did he have any financial interest in the auditing firm.

The ARMC had expressed authority to investigate any matter within its terms of reference. In addition, the ARMC had full access to Management and might invite any director or executive officer to attend its meetings to adequately discharge its investigating functions. The ARMC might seek co-operation from Management and full support of resources to perform its functions.

The ARMC had established procedures for the staff of the Company and its subsidiaries to raise any improprieties of any employee, or any improprieties in matters relating to financial or corporate affairs, or any other matters of the Company or its subsidiaries in good faith and confidence without fear of reprisals or concerns to the ARMC directly.

The Group gives employees, customers, service providers, vendors, or third parties, the opportunity to speak up on improprieties, misconduct and/or wrong doings relating to its employees; or the business, financial, or corporate affairs of the Group.

The Group's Whistleblowing Policy and Procedures ("Whistleblowing") sets out:

(i) The purpose of A-Sonic's Whistleblowing policy;

(ii) The reportable malpractices, unethical, or illegal conducts;

(iii) A-Sonic's designated independent function to investigate whistleblowing reports made in good faith;

(iv) A-Sonic's policy to ensure the identity of a whistleblower(s) is kept confidential;

(v) A-Sonic's commitment to ensure protection of the whistleblower(s) against unfair treatment; and

(vi) The responsibility of A-Sonic's independent ARMC to oversee and monitor the whistleblowing policy.

Details of the Whistleblowing Policy can be found in the Staff Handbook.

CORPORATE **GOVERNANCE STATEMENT**

The Board ensures that the management maintains a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

The ARMC conducts annual review to assess the adequacy and appropriateness of the internal audit capabilities within the Group. The ARMC has discretion from time to time to outsource internal audit function to independent third parties, depending on circumstances of each situation. The internal audit function was conducted by qualified accountants with audit experience. The internal auditors conducted their duties based on internationally recognized professional bodies such as the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal auditors had unrestricted access to the Group's accounting records, documents, properties and personnel. The internal auditors' duties encompassed reviewing the Company's material internal controls consisting of financial, operational and compliance controls as well as risk management. The internal audit reviewed all areas of operations. The internal auditor had direct access and reports directly to the ARMC as the ARMC oversaw the internal audit function. The ARMC reviews the adequacy and effectiveness of the internal audit function at least once a year. The ARMC will also meet with the internal auditors at least once a year.

The Company's internal audit function was carried out by an external independent audit firm during the financial year ended 31 December 2024. During the financial year, the internal auditor conducted an audit on one of its subsidiaries. The independent audit firm's scope of audit included: (i) evaluating the adequacy and effectiveness of the subsidiary's risk management and internal control systems, including whether there is prompt and accurate recording of transactions and proper safeguarding of assets; and (ii) reviewing whether the subsidiary comply with laws and regulations and adhere to established policies. The detailed report on the summary of the internal audit findings was issued to the ARMC. The external auditors of the Company also had access to the internal audit report.

The ARMC reviews the adequacy and effectiveness of the Company's internal financial controls, operational and compliance controls, the risk management policies and systems established by the Company. Having regard to the above, the Board, with the concurrence of the ARMC, was of the opinion that the internal controls, addressing the financial, operational, compliance and information technology risks of the Company, were adequate as at 31 December 2024, to meet the needs of the Group in its current business environment. This was based on the internal controls established and maintained by the Company; the regular reviews performed by management; and the work performed by the internal and external auditors.

The internal audit and the internal controls systems put in place by management provided reasonable assurance against material financial misstatements or loss, reliability, relevance and integrity of information (including financial information), completeness of records, safeguarding of assets, effectiveness and efficiency of operations and compliance with applicable policies, laws and regulations. However, the Board also noted that such assurance cannot be absolute in view of the inherent limitations of any internal audit and internal controls systems against the occurrence of human and system errors, poor judgement in decision-making, losses, fraud or other irregularities.

The ARMC also reviewed the assurance provided by the CEO and senior members of the Group's finance team on the integrity of the financial statements and financial records and was satisfied that the financial records had been properly maintained and the financial statements gave a true and fair view of the Company's operations and finances.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 11: SHAREHOLDERS' RIGHTS AND CONDUCT OF GENERAL MEETINGS

In line with the continuing disclosure obligations of the Company pursuant to the SGX-ST Listing Manual and the Companies Act 1967, all shareholders are treated fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company's policy is to give shareholders a balanced and understandable assessment of its performance, position and prospects. These include the following:

(i) Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant, rules and procedures governing such meetings, for instance, how to vote, are clearly communicated.

(ii) The Company ensures that there are separate resolutions at general meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. Shareholders are given the opportunity to raise questions and clarify any issue before the resolutions are to be passed.

(iii) The attendance of directors at the Annual General Meeting held during the 2024 year was as follows:

Board of Directors	Annual General Meeting on 26 April 2024
Janet LC Tan	√
Tan Lay Yong Jenny	√
Irene Tay Gek Lim	√
Gurbachan Singh	√
Leonard Ong Chee Hein	√
Lim Soon Hock	√

The Company's Constitution permits a shareholder to appoint not more than two proxies to attend, speak and vote at general meetings in his/her stead.

The external auditors and members of the ARMC, NC and RC are present at the AGM to address any questions raised by the shareholders.

A copy of the Company's notice of annual general meeting ("AGM"), proxy form, annual report and letter to shareholders are posted on the Company's website (www.asonic-aerospace.com) and released via SGXNET.

(iv) Provision 11.4 of the Code provides for a Company's Constitution to allow for absentia voting at general meetings of shareholders. However, the authentication of shareholders' identity information and other related integrity issues still remain a concern. For the time being, the Company does not implement voting in absentia by mail or electronic means. Despite the deviation from Provision 11.4 of the Code, each shareholder nevertheless has the opportunity to communicate his/her view even when he/she is not in attendance. Pursuant to the Company's Constitution, a shareholder may appoint up to two proxies to attend, speak and vote at all general meetings on his/her behalf in the event that he/she is unable to attend the meetings.

CORPORATE **GOVERNANCE STATEMENT**

(v) All resolutions at AGM are put to vote by poll. This allows greater transparency and a more equitable participation by shareholders. The results of votes by poll are announced at the AGM, and after the AGM via SGXNET. In addition, minutes of general meetings are prepared, including comments and queries from shareholders and responses from the Board and Management. The minutes are published on the Company's corporate website and via the release of announcement through SGXNET as soon as practicable.

(vi) The Company currently does not have a fixed dividend policy. The dividend paid each year will depend on factors that include the Group's performance and its business plans to achieve sustainable economic long term growth. In the event there is a declaration of dividends, details of dividend payment will be disclosed via the release of the announcement through SGXNET.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

In addition to the timely public announcements made on SGXNET, the Company maintains a website (https://www.asonic-aerospace.com) to bring public awareness to the Group. The shareholders and public can provide feedback to the Company via the electronic mail address or the registered address. Calls and emails requesting for information are attended to promptly.

The Company discloses information timely on SGXNET and all information channels where applicable. In the event of inadvertent disclosure made to a select group, the Company will immediate make the same disclosure to all others promptly. In this regard, the Company has not encountered any inadvertent disclosure to any select group.

In 2024, the Company reported its financial results half yearly and these results were published via SGXNET. It is the policy of the Company to disclose all price-sensitive information promptly and adequately, and release all price sensitive information through SGXNET. In addition to these half yearly results announcements, the Company also announced material corporate developments that would have a bearing on investor decisions via SGXNET.

At relevant and appropriate occasions, our senior management team may conduct investor briefings and presentations, including: (i) roadshows; (ii) press releases; and (iii) webinars with investment research firms to keep investors apprised of the Company and the Group's corporate developments and financial performance.

The aim of such engagements is to provide shareholders and investors relevant information to enable them to have a better understanding of the Company and the Group's businesses and performance.

The Company communicates with its shareholders and the investment community through the timely release of announcements to SGXNET. In addition, the directors regularly interact directly with shareholders and investors, during the Annual General Meeting, and Extraordinary General Meetings where applicable. The Company also responds to enquiries from investors, analysts, fund managers and the press.

Based on the current size and operations of the Group, the Board is of the view that the current practices and the disclosure of information to shareholders as set out above is in line with the intention of Principle 12. Further, shareholders can send questions to the Company's email at corporate@asonic-aerospace.com and the Company will respond to such questions.

CORPORATE **GOVERNANCE STATEMENT**

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Company is publishing the sustainability report for the financial year ended 31 December 2024 on its own website (https://www.asonic-aerospace.com). Upon hosting the publication on the website, an announcement will be made on SGXNET. The Company identifies its stakeholders and describes the sustainability approach and engagement with these stakeholders in its sustainability report. A summary of the sustainability report is provided in this annual report.

The Company maintains a website (https://www.asonic-aerospace.com) to bring public awareness to the Group. The public can provide feedback to the Company via the electronic mail address or the registered address. Calls and emails requesting for information are attended to promptly.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. There was no interested person transaction conducted for the financial year ended 31 December 2024.

DEALINGS IN SECURITIES

The Group has procedures in place prohibiting dealings in the shares of the Company by its officers while in possession of price sensitive information. The Company and its subsidiaries' officers are not allowed to deal in the shares of the Company during the period of one month prior to the announcement of half year and full year results. The Company's directors and its officers, and of its subsidiaries are prohibited from dealing with the Company's securities on short-term considerations. Directors and officers are also expected to observe insider-trading laws at all times.

CORPORATE **GOVERNANCE STATEMENT**

Summary of Disclosures

Express disclosure requirements in the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018.

Principles and provisions of the 2018 Code	Page Reference in A-Sonic Annual Report 2024
Provision 1.2 The induction, training and development provided to new and existing directors.	Pages 13 & 14
Provision 1.3 Matters that require Board approval.	Page 14
Provision 1.4 Names of the members of the Board Committees, the terms of reference of the Board Committees, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities.	Pages 15 to 26
Provision 1.5 The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every Board member at these meetings.	Page 15
Provision 2.4 The board diversity and progress made towards implementing the board diversity policy, including objectives.	Pages 16 & 17
Provision 3.1 Relationship between the Chairman and the CEO if they are immediate family members.	Page 18
Provision 4.3 Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates.	Page 19
Provision 4.4 Where the Board considers a director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the director's relationship and the reasons for considering him or her as independent should be disclosed.	Pages 18 & 19
Provision 4.5 The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties are disclosed.	Page 19
Provision 5.2 How the assessments of the Board, its Board committees and each director have been conducted, including the identity of any facilitator and its connection, if any, with the Company or any of its directors.	Pages 19 & 20
Provision 6.4 The Company discloses the engagement of any remuneration consultants and their independence.	Page 20

CORPORATE **GOVERNANCE STATEMENT**

Principles and provisions of the 2018 Code	**Page Reference in A-Sonic Annual Report 2024**
Principle 8 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between remuneration, performance and value creation.	Page 21
Provision 8.1 The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.	Page 22
Provision 8.2 Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	Page 22
Provision 8.3 The Company discloses all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to directors and key management personnel of the Company, and also discloses details of employee share schemes.	Page 23
Provision 9.2 Whether the Board has received assurance from (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.	Page 24
Provision 10.1 The Company should publicly disclose, and clearly communicate to employees, the existence of a whistleblowing policy and procedures for raising concerns.	Page 25
Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year.	Page 27
Provision 12.1 The steps taken to solicit and understand the views of shareholders.	Page 28
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	Page 29

SUSTAINABILITY **MANAGEMENT**

At A-Sonic, we believe that sustainability is the foundation of good management practices, and serves to guide us:

(i) to achieve long-term economic value for our business;

(ii) to conduct our business ethically; and

(iii) how our actions and solutions help people – our employees, customers, suppliers, and the community.

The three pillars that motivate and inspire us in our sustainability efforts are:

(i) Performance – Provide solutions to our customers and leverage on innovative technology to develop sustainable long-term economic value for our business;

(ii) Ethical Conduct – Integrity of our employees; and

(iii) People – Cultivate inclusion and holistic wellness of our staff members, their families and the community.

STAKEHOLDERS

A-Sonic has identified the following as our stakeholders: employees, customers, suppliers, investors and community in which we operate on an on-going, pragmatic basis.

Our stakeholders provide us with valuable insights for improving our business and sustainability strategy through a range of engagement activities – including collaboration on industry initiatives, customer and supplier site visits as well as updates, supplier audits and assessment, international conference participation, employee sessions and feedbacks, annual and extraordinary general meetings with investors, and more.

Based on relative importance to sustainable development and to A-Sonic's business success, the following issues have been identified to be material for the purpose of this report.

ECONOMIC PERFORMANCE

Economic performance is defined as our most material aspect because, like most companies, our economic success enables the execution of our sustainability strategies.

Our primary role in society is to build an integrated team in diverse markets working to provide seamless aviation and logistics solutions. We currently operate in 28 cities in 15 countries, spanning four (4) continents in Asia, North Americas, Europe and Sub-Continent India.

Climate change presents both opportunity and risk to the economic performance of our business. We aim to achieve two goals: (i) economic cost savings; and (ii) reduce our impact on the environment, hence climate change.

SUSTAINABILITY **MANAGEMENT**

ETHICAL CONDUCT

Fundamental to our sustainability is to conduct our business with integrity and protect our reputation. We strive daily to earn our trust from our employees, customers and suppliers. We adopt strong measures to prevent corruption and comply with applicable laws and regulations.

The senior management of A-Sonic executives set a tone of compliance and ethical conduct from the top. A-Sonic is committed to comply with the applicable law and regulation wherever we operate.

EMPLOYEES

The value that continues to guide us as we grow A-Sonic enterprise is the corporate culture that we build together. Our culture aspires us to make lives better, and at the same time, be pragmatic, to be profitable. While we work hard, push ourselves, we must enjoy our work and have fun. We look to each and every employee to incorporate our sustainability principles into their work.

Our priority is to promote from within the group as a means of engaging and retaining our people, as well as bringing valuable external experience and continuity to our business. We aim to promote from within means that we emphasize on developing our people within their current positions of greater responsibility.

We believe that the process of building a diverse workforce begins with recruiting talented people regardless of their race, religion, gender identity, nationality or age. We reward base on merits and performance.

We adopt a holistic wellness approach for our employees. Our holistic programme focuses on three critical aspects:

(i) physical health and safety;

(ii) work-life balance; and

(iii) financial wellness.

We strive to recruit good people and retain them with us for the long-term. Our approach to training and development is one of shared responsibility among the company, individual employees, and their managers.

For more information on A-Sonic's sustainability efforts, the full version of the Sustainability Report is available at www.asonic-aerospace.com by 10 April 2025.

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of A-Sonic Aerospace Limited (the "Company") and its subsidiaries (the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2024.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 42 to 92 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Janet LC Tan
Tan Lay Yong Jenny
Irene Tay Gek Lim
Gurbachan Singh
Leonard Ong Chee Hein
Lim Soon Hock

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Number of ordinary shares Shareholdings registered in name of director or nominee		
Name of Directors	**At 1.1.2024**	**At 31.12.2024**	**At 21.1.2025**
The Company			
Janet LC Tan	66,018,600	66,163,000	66,163,000
Irene Tay Gek Lim	1,557,074	1,557,074	1,557,074

By virtue of Section 7(4) of the Act, the director, Janet LC Tan is deemed to have an interest in the shares held by the Company in its wholly-owned subsidiaries.

DIRECTORS' **STATEMENT**

Directors' interest in shares or debentures (cont'd)

Janet LC Tan, by virtue of her interest of not less than 20% of the issued share capital of the Company is deemed to have an interest in the shares held by the Company in the following subsidiary corporations that are not wholly-owned by the Group:

	Description of interests	At 1.1.2024	At 31.12.2024
A-Sonic Express Logistics (India) Private Limited	Ordinary shares	4,100,000	4,200,000
A-Sonic Logistics (UK) Limited	Ordinary shares	102,000	102,000
UBI Logistics Limited	Ordinary shares	71,600	71,600
UBI (HK) International Limited	Ordinary shares	5,100	5,100
UBI Logistics (HK) Limited	Ordinary shares	5,100	5,100
UBI Logistics (Australia) Pty Ltd	Ordinary shares	38,250	38,250
UBI Logistics (China) Limited	Registered capital (Renminbi)	15,408,120	15,408,120
UBI Logistics (Canada) Limited (f.k.a. CALS Logistics, Inc.)	Ordinary shares	255	255
Ultra Air Cargo Inc.	Ordinary shares	51	51

Share options

During the financial year, there were:

(i) no options granted by the Company and its subsidiaries to any person to take up unissued shares in the Company and its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company and its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company and its subsidiaries under option.

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee during the financial year and at the date of this statement are:

Leonard Ong Chee Hein (Chairman)
Gurbachan Singh
Lim Soon Hock

The Audit and Risk Management Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967. Their functions are detailed in the Corporate Governance Statement contained in the Annual Report.

The Audit and Risk Management Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors

Janet LC Tan Director	Irene Tay Gek Lim Director

7 April 2025

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF A-SONIC AEROSPACE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of A-Sonic Aerospace Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 42 to 92, which comprise the balance sheets of the Group and of the Company as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

(Refer to Note 2(c) for accounting policy related to revenue recognition and Note 4 for the disclosure related to revenue).

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SONIC AEROSPACE LIMITED

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Revenue recognition (cont'd)

Description of key audit matter

Revenue is one of the key elements in the financial statements used as a measure of financial performance of an entity. The Group's revenue of approximately US$276 million for the financial year ended 31 December 2024 comprises substantially revenue from the logistics segment, representing revenue from the provision of logistic solutions, including international and domestic multi-modal transportation, distribution, customs clearance, and airport ground services. Given the significance of revenue, we identified revenue recognition as a key audit matter which require significant auditor's attention as significant level of effort is required to audit the occurrence and accuracy of the revenue amount.

Our audit procedures to address key audit matter:

We obtained an understanding of the revenue cycle process and discussed with management to understand and assess the appropriateness of the Group's revenue recognition policy. We performed test of design and implementation of the relevant key internal controls and test of effectiveness of controls for the significant class of revenue transactions. On a sample basis, we have also tested the occurrence and accuracy of the revenue recorded by performing test of details to verify whether the revenue amount is properly recorded when the performance obligations are fulfilled. We also reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2024, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF A-SONIC AEROSPACE LIMITED

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors for the Financial Statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of group audit. We remain solely responsible for our audit opinion.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF A-SONIC AEROSPACE LIMITED

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Khor Boon Hong.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

7 April 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 US$'000	Group 2023 US$'000
Revenue			
Turnover	4	**275,944**	216,027
Other income:			
– Interest income		**1,096**	832
– Others	5	**1,378**	1,665
Expenses			
Freight charges		**(249,965)**	(189,703)
Staff costs	6	**(17,900)**	(19,505)
Depreciation of property, plant and equipment	11	**(2,018)**	(2,062)
Depreciation of investment property	12	**(18)**	(18)
Finance costs	22	**(88)**	(113)
Net impairment gain/(loss) on financial assets	7	**49**	(426)
Other operating expenses	8	**(4,932)**	(5,890)
Share of results of associated companies		**91**	73
Profit before tax		**3,637**	880
Taxation	9	**(390)**	(437)
Profit for the financial year		**3,247**	443
Profit attributable to:			
Equity holders of the Company		**2,885**	983
Non-controlling interests		**362**	(540)
Profit for the financial year		**3,247**	443
Earnings per share attributable to equity holders of the Company (US cents per share)			
Basic and diluted	10	**2.70**	0.92

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group	
	2024	2023
	US$'000	US$'000
Profit for the financial year	**3,247**	443
Other comprehensive (loss)/income:		
Item that is or may be reclassified subsequently to profit or loss:		
Currency translation differences arising on consolidation	**(458)**	37
Item that will not be reclassified subsequently to profit or loss:		
Currency translation differences arising on consolidation	**(18)**	(6)
Other comprehensive (loss)/income for the financial year, net of tax	**(476)**	31
Total comprehensive income for the financial year	**2,771**	474
Total comprehensive income attributable to:		
Equity holders of the Company	**2,427**	1,020
Non-controlling interests	**344**	(546)
Total comprehensive income for the financial year	**2,771**	474

The accompanying notes form an integral part of these financial statements.

BALANCE **SHEETS**

AT 31 DECEMBER 2024

		Group		Company	
	Note	**2024 US$'000**	2023 US$'000	**2024 US$'000**	2023 US$'000
Non-current assets					
Property, plant and equipment	11	**5,340**	5,569	**365**	407
Investment property	12	**528**	546	**–**	–
Investment in subsidiaries	13	**–**	–	**13,538**	13,538
Investment in associated companies	14	**457**	351	**–**	–
Fair value through other comprehensive income	15	**99**	99	**–**	–
Deferred tax assets	16	**164**	–	**–**	–
		6,588	6,565	**13,903**	13,945
Current assets					
Trade and other receivables	17	**34,203**	32,480	**179**	56
Contract assets	18	**1,518**	812	**–**	–
Due from subsidiaries	19	**–**	–	**499**	847
Tax recoverable		**259**	1	**–**	–
Cash and cash equivalents	21	**45,430**	47,573	**7,296**	7,331
		81,410	80,866	**7,974**	8,234
Total assets		**87,998**	87,431	**21,877**	22,179
Non-current liabilities					
Deferred tax liabilities	16	**–**	11	**–**	–
Lease liabilities	22	**868**	894	**–**	–
		868	905	**–**	–
Current liabilities					
Trade and other payables	23	**36,739**	39,179	**352**	254
Contract liabilities	18	**4**	33	**–**	–
Due to subsidiaries	19	**–**	–	**152**	756
Due to associated companies	20	**504**	408	**–**	–
Provisions for liabilities	24	**–**	160	**–**	–
Lease liabilities	22	**1,060**	813	**–**	–
Tax payable		**479**	160	**–**	–
		38,786	40,753	**504**	1,010
Total liabilities		**39,654**	41,658	**504**	1,010
Net assets		**48,344**	45,773	**21,373**	21,169
Equity					
Share capital	25	**52,507**	52,507	**52,507**	52,507
Accumulated profits/(losses)		**2,897**	212	**(31,134)**	(31,338)
Foreign currency translation reserve		**(8,147)**	(7,689)	**–**	–
Equity attributable to equity holders of the Company		**47,257**	45,030	**21,373**	21,169
Non-controlling interests		**1,087**	743	**–**	–
Total equity		**48,344**	45,773	**21,373**	21,169

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital US$'000	Accumulated profits US$'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
Group						
At 1 January 2024	52,507	212	(7,689)	45,030	743	45,773
Profit for the financial year	–	2,885	–	2,885	362	3,247
Other comprehensive income/(loss)						
Currency translation differences on consolidation	–	–	(458)	(458)	(18)	(476)
Total comprehensive income/(loss) for the financial year	–	2,885	(458)	2,427	344	2,771
Transaction with equity holder recorded directly in equity						
Dividend paid on ordinary shares (Note 27)	–	(196)	–	(196)	–	(196)
Shares bought back (Note 25)	–	(4)	–	(4)	–	(4)
At 31 December 2024	**52,507**	**2,897**	**(8,147)**	**47,257**	**1,087**	**48,344**
At 1 January 2023	52,507	(171)	(7,726)	44,610	1,383	45,993
Profit/(loss) for the financial year	–	983	–	983	(540)	443
Other comprehensive income/(loss)						
Currency translation differences on consolidation	–	–	37	37	(6)	31
Total comprehensive income/(loss) for the financial year	–	983	37	1,020	(546)	474
Dividend paid to non-controlling shareholders by subsidiary	–	–	–	–	(94)	(94)
Transaction with equity holder recorded directly in equity						
Dividend paid on ordinary shares (Note 27)	–	(600)	–	(600)	–	(600)
At 31 December 2023	52,507	212	(7,689)	45,030	743	45,773

The accompanying notes form an integral part of these financial statements.

STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital US$'000	Accumulated losses US$'000	Total US$'000
Company			
At 1 January 2024	52,507	(31,338)	21,169
Profit and total comprehensive income for the financial year	–	404	404
Dividend paid on ordinary shares (Note 27)	–	(196)	(196)
Shares bought back (Note 25)	–	(4)	(4)
At 31 December 2024	**52,507**	**(31,134)**	**21,373**
At 1 January 2023	52,507	(31,297)	21,210
Profit and total comprehensive income for the financial year	–	559	559
Dividend paid on ordinary shares (Note 27)	–	(600)	(600)
At 31 December 2023	52,507	(31,338)	21,169

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group	
	2024	2023
	US$'000	US$'000
Cash flows from operating activities		
Profit before tax	**3,637**	880
Adjustments for:		
Depreciation of property, plant and equipment	**2,018**	2,062
Depreciation of investment property	**18**	18
Dividend income	**(476)**	(446)
(Impairment allowance written back)/impairment allowance for trade receivables, net	**(46)**	436
Impairment allowance for non-trade receivables	**2**	1
Impairment allowance written back for amounts due from associated companies, net	**(5)**	(11)
Loss/(gain) on disposals of property, plant and equipment	**19**	(116)
Derecognition of right-of-use assets	**1**	27
Interest income	**(1,096)**	(832)
Interest expense on lease liabilities	**88**	113
Reversal of provisions for liabilities	**(160)**	–
Share of results of associated companies	**(91)**	(73)
Operating cash flow before working capital changes	**3,909**	2,059
Receivables and contract assets	**(1,940)**	4,908
Payables and contract liabilities	**(2,629)**	(5,047)
Currency translation adjustments	**617**	(88)
Cash (used in)/generated from operations	**(43)**	1,832
Income tax paid	**(516)**	(809)
Net cash (used in)/generated from operating activities	**(559)**	1,023
Cash flows from investing activities		
Dividend received	**476**	446
Proceeds from disposals of property, plant and equipment	**140**	132
Interest received	**913**	832
Purchases of property, plant and equipment (Note 11)	**(548)**	(679)
Net cash generated from investing activities	**981**	731

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS (CONT'D)**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group	
	2024	2023
	US$'000	US$'000
Cash flows from financing activities		
Decrease in fixed deposits pledged	**225**	225
Repayments of lease liabilities	**(1,301)**	(1,320)
Interest paid on lease liabilities	**(88)**	(113)
Repayment to a director/shareholder of a subsidiary	**–**	(2,116)
Dividend paid	**(196)**	(694)
Shares bought back	**(4)**	–
Net cash used in financing activities	**(1,364)**	(4,018)
Net decrease in cash and cash equivalents	**(942)**	(2,264)
Cash and cash equivalents at beginning of financial year	**45,149**	47,298
Effect of foreign exchange rate changes	**(976)**	115
Cash and cash equivalents at end of financial year (Note 21)	**43,231**	45,149

The accompanying notes form an integral part of these financial statements.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

The Company (Co. Reg. No. 200301838G) is incorporated and domiciled in Singapore and listed on the Singapore Exchange Securities Trading Limited. The address of its registered office is at 10 Anson Road, #24-07 International Plaza, Singapore 079903.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 13.

2 Material accounting policies

a) Basis of preparation

The financial statements are presented in United States dollar ("US$") and are rounded to the nearest thousand (US$'000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 Material accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new/revised SFRS(I) and INT SFRS(I) did not have any material effect on the financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company except as disclosed below:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* for annual reporting period beginning on or after 1 January 2027, with earlier application permitted. It requires retrospective application with specific transition provisions.

The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present subtotals and totals for "operating profit", "profit or loss before financing and income taxes", and "profit or loss" in the statement of profit or loss.

- Management-defined performance measures (MPMs) are disclosed in a single note within the financial statements. This note includes details on how the measure is calculated, the relevance of the information provided to users, and a reconciliation to the most comparable subtotal specified by the SFRS(I).

- Enhanced guidance on aggregating and disaggregating information in financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is in the process of assessing the impact of the new standard on the primary financial statements and notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 Material accounting policies (cont'd)

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 Material accounting policies (cont'd)

c) Revenue recognition

Details of the Group's revenue recognition policies are as follows:

Sale of goods

Revenue is recognised when control over a product is transferred to the customer based on the contractual terms which generally coincides with delivery of goods. Revenue from these sales is recognised based on the price specified in the contract. If the products are a partial fulfilment of a contract covering other goods, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods promised under the contract on a relative stand-alone selling price basis. A receivable is recognised when the goods are delivered as this is the point in time when the consideration is unconditional because only the passage of time is required before the payment is due. The Group will bill customer when the goods have been delivered and the customer is required to pay within 30 days from the invoice date.

Rendering of services

Logistic solutions

Provision of logistic solutions, include international and domestic multi-modal transportation, distribution, customs clearance, and airport ground services.

The Group generates revenues by purchasing transportation capacity from independent air, ocean and overland transportation providers and reselling that capacity to customers. The revenues reported also include revenues generated from the principal service as well as revenues generated from brokerage services such as customs clearance, documentation, cartage, handling and transfers and delivery of goods that are incidental to the principal service.

Revenue derived from rendering such services is recognised at a point in time when the services are rendered to the customer or when the goods to be shipped/delivered is transferred to the customer and the timing of which is determined by the delivery and shipping contractual terms. The performance obligation is measured at a point in time once the service has been completed upon transfer or delivery of goods as the performance obligation has been met. The Group will either bill customer when the service has been performed or on a periodic basis based on agreed billing terms. The customer is required to pay within 30 to 90 days from the invoice date. Contract asset is recognised when service has been performed but not yet billed.

Warehousing services

The Group provides warehouse storage and inventory management services. Such services are recognised as revenue as the performance obligations are satisfied over time.

Revenue from projects

Revenue from projects for delivery services and management of operations are recognised overtime on a monthly basis when the services are rendered and billed in accordance with contractual terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 Material accounting policies (cont'd)

d) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

No depreciation is provided on freehold land. Depreciation is calculated on a straight-line basis to allocate the depreciable amounts of other property, plant and equipment over their expected useful lives/lease terms. The estimated useful lives/lease terms are as follows:

	Years
Building on freehold land	20 – 30
Leasehold office units	2 – 50
Electrical equipment, tools and machinery	5
Computer equipment	1 – 5
Furniture, fixtures and fittings	3 – 5
Motor vehicles	2 – 10

e) Investment property

Investment property is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life of 32 years.

f) Impairment of non-financial assets

At each balance sheet date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

g) Leases

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. furniture, fixtures and fittings, office space, copiers and motor vehicles). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 Material accounting policies (cont'd)

g) Leases (cont'd)

When a Group entity is the lessee (cont'd)

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liabilities are presented as a separate line in the balance sheets.

Right-of-use assets

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in property, plant and equipment in the balance sheets.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(f).

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient.

h) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date.

NOTES TO **THE FINANCIAL STATEMENTS**

2 Material accounting policies (cont'd)

i) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in United States dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities are translated at the closing rates at the date of the balance sheet;

b) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

c) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Calculation of loss allowance

Management determines the loss allowance on trade receivables and contract assets by categorising them based on shared credit risk characteristics, historical loss patterns and historical payment profiles. The Group also assesses at the end of the reporting period whether there is any objective evidence that the receivables and contract assets from individual customers are credit-impaired based on factors such as insolvency, financial difficulties of the customer or significant delay in repayments.

Based on the simplified approach, there was no significant exposure to the expected credit loss on trade receivables and contract assets. Details of ECL measurement and carrying values of trade receivables and contracts assets at reporting date are disclosed in Note 29(b).

4 Turnover

	Group	
	2024	2023
	US$'000	US$'000
Provision of logistic solutions, including international and domestic multi-modal transportation, distribution, customs clearance and airport ground services	**266,984**	202,209
Provision of warehousing services and revenue from projects	**8,943**	13,804
Sales of goods	**17**	14
	275,944	216,027
Timing of revenue recognition		
At a point in time		
– Provision of logistic solutions, including international and domestic multi-modal transportation, distribution, customs clearance and airport ground services	**266,984**	202,209
– Sales of goods	**17**	14
Over time		
– Provision of warehousing services and revenue from projects	**8,943**	13,804
	275,944	216,027

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Other income

	Group	
	2024	2023
	US$'000	US$'000
Dividend income	**476**	446
Government grants	**195**	219
Rental income	**99**	98
Reversal of provisions for liabilities	**160**	–
Warehouse management system services fee	**–**	141
Other miscellaneous income	**448**	761
	1,378	1,665

Dividend income includes dividends totalled US$476,000 (2023: US$446,000) received from investment in equity instruments designated at fair value through other comprehensive income ("FVOCI").

6 Staff costs

	Group	
	2024	2023
	US$'000	US$'000
Key management personnel		
Directors of the Company		
– Remuneration and related costs	**1,062**	987
– Fees	**132**	162
– Defined contribution plan	**45**	39
Other key management personnel		
– Remuneration and related costs	**494**	501
Other staff		
– Remuneration and related costs	**14,616**	16,034
– Defined contribution plan	**1,551**	1,782
	17,900	19,505

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7 Net impairment gain/(loss) on financial assets

	Group 2024 US$'000	Group 2023 US$'000
Impairment allowance for trade receivables (Note 17(a))		
– Additional allowance made	**(25)**	(466)
– Written back	**71**	30
	46	(436)
Impairment allowance for non-trade receivables		
– Third parties (Note 17(b))		
– Additional allowance made	**(2)**	(1)
– Associated companies (Note 20)		
– Additional allowance made	**(4)**	(7)
– Written back	**9**	18
	3	10
	49	(426)

8 Other operating expenses

	Group 2024 US$'000	Group 2023 US$'000
Other operating expenses are determined after debiting/(crediting) the following:		
Auditors' remuneration		
– Auditor of the Company	**77**	82
– Other auditors		
– Baker Tilly International network firms	**23**	32
– Non-network firms	**52**	59
Fees for non-audit services paid to:		
– Auditor of the Company	**7**	8
– Other auditors		
– Baker Tilly International network firms	**–**	–
– Non-network firms	**19**	4
Computer and related expenses	**345**	403
Derecognition of right-of-use assets	**1**	27
Foreign currency exchange (gain)/loss	**(245)**	286
Loss/(gain) on disposals of property, plant and equipment	**19**	(116)
Professional fees	**510**	482
Office expenses	**325**	286
Repair and maintenance of motor vehicles	**1,316**	1,351
Rental expenses (Note 22)	**466**	460
Transport and travelling expenses	**646**	876

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9 Taxation

	Group	
	2024	2023
	US$'000	US$'000
Tax expense attributable to profits is made up of:		
Current financial year		
– Income tax	**553**	348
– Deferred tax (Note 16)	**(184)**	–
Prior financial years		
– Under provision of income tax	**23**	77
– (Over)/under recognition of deferred tax (Note 16)	**(2)**	12
	390	437

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to profits in the countries where the Group operates due to the following factors:

	Group	
	2024	2023
	US$'000	US$'000
Profit before tax	**3,637**	880
Tax at the domestic rates applicable to profits in the countries where the Group operates	**778**	279
Expenses not deductible for tax purposes	**58**	129
Income not subject to tax	**(211)**	(107)
Utilisation of unrecognised deferred tax assets	**(159)**	(126)
Under provision of tax expense in prior financial years	**23**	77
(Over)/under recognition of deferred tax in prior financial years	**(2)**	12
Deferred tax assets not recognised	**176**	263
Deferred tax assets recognised	**(184)**	–
Others	**(89)**	(90)
	390	437

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10 Earnings per share

a) Basic earnings per share

The calculation of the basic earnings per share was based on the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2024	2023
Profit after tax attributable to equity holders of the Company (US$'000)	**2,885**	983
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**106,694**[1]	106,694
Basic earnings per share (US cents)	**2.70**	0.92

b) Diluted earnings per share

The calculation of diluted earnings per share was based on the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2024	2023
Profit after tax attributable to equity holders of the Company (US$'000)	**2,885**	983
Weighted average number of ordinary shares used in calculation of basic earnings per ordinary share ('000)	**106,694**[1]	106,694
Diluted earnings per share (US cents)	**2.70**	0.92

Note:

[1] The weighted average number of ordinary shares used in the calculation of 2024 basic earnings per ordinary share was computed after taking into account the shares bought back of 23,600 ordinary shares in December 2024.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 Property, plant and equipment

	Freehold land US$'000	Building on freehold land US$'000	Leasehold office units US$'000	Electrical equipment, tools & machinery US$'000	Computer equipment US$'000	Furniture, fixtures & fittings US$'000	Motor vehicles US$'000	Total US$'000
Group								
2024								
Cost								
At 1.1.2024	926	1,160	3,838	447	1,964	2,570	7,203	18,108
Additions	–	–	1,375	39	30	57	536	2,037
Disposals	–	–	–	(209)	(23)	(2)	(83)	(317)
Derecognition of right-of-use assets	–	–	(950)	–	–	(183)	(36)	(1,169)
Written off	–	–	–	–	(9)	(1)	–	(10)
Exchange differences	–	–	(95)	(9)	(44)	(37)	(207)	(392)
At 31.12.2024	**926**	**1,160**	**4,168**	**268**	**1,918**	**2,404**	**7,413**	**18,257**
Accumulated depreciation								
At 1.1.2024	–	498	2,341	243	1,821	2,172	5,464	12,539
Depreciation charge	–	41	1,049	20	80	188	640	2,018
Disposals	–	–	–	(58)	(24)	(1)	(75)	(158)
Derecognition of right-of-use assets	–	–	(950)	–	–	(182)	(36)	(1,168)
Written off	–	–	–	–	(9)	(1)	–	(10)
Exchange differences	–	–	(53)	(4)	(42)	(33)	(172)	(304)
At 31.12.2024	**–**	**539**	**2,387**	**201**	**1,826**	**2,143**	**5,821**	**12,917**
Net carrying value								
At 31.12.2024	**926**	**621**	**1,781**	**67**	**92**	**261**	**1,592**	**5,340**

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 Property, plant and equipment (cont'd)

	Freehold land US$'000	Building on freehold land US$'000	Leasehold office units US$'000	Electrical equipment, tools & machinery US$'000	Computer equipment US$'000	Furniture, fixtures & fittings US$'000	Motor vehicles US$'000	Total US$'000
2023								
Cost								
At 1.1.2023	926	1,160	3,964	411	1,946	2,531	7,213	18,151
Additions	–	–	820	29	33	150	475	1,507
Disposals	–	–	–	–	(15)	(16)	(597)	(628)
Derecognition of right-of-use assets	–	–	(946)	–	–	(57)	–	(1,003)
Written off	–	–	–	–	(5)	(18)	–	(23)
Exchange differences	–	–	–	7	5	(20)	112	104
At 31.12.2023	926	1,160	3,838	447	1,964	2,570	7,203	18,108
Accumulated depreciation								
At 1.1.2023	–	457	2,213	201	1,737	2,043	5,350	12,001
Depreciation charge	–	41	1,075	39	97	209	601	2,062
Disposals	–	–	–	–	(14)	(16)	(582)	(612)
Derecognition of right-of-use assets	–	–	(946)	–	–	(30)	–	(976)
Written off	–	–	–	–	(5)	(18)	–	(23)
Exchange differences	–	–	(1)	3	6	(16)	95	87
At 31.12.2023	–	498	2,341	243	1,821	2,172	5,464	12,539
Net carrying value								
At 31.12.2023	926	662	1,497	204	143	398	1,739	5,569

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 Property, plant and equipment (cont'd)

	Computer equipment US$'000	Motor vehicles US$'000	Total US$'000
Company			
2024			
Cost			
At 1.1.2024 and 31.12.2024	**3**	**425**	**428**
Accumulated depreciation			
At 1.1.2024	3	18	21
Depreciation charge	–	42	42
At 31.12.2024	**3**	**60**	**63**
Net carrying value			
At 31.12.2024	**–**	**365**	**365**
Company			
2023			
Cost			
At 1.1.2023	3	–	3
Additions	–	425	425
At 31.12.2023	3	425	428
Accumulated depreciation			
At 1.1.2023	3	–	3
Depreciation charge	–	18	18
At 31.12.2023	3	18	21
Net carrying value			
At 31.12.2023	–	407	407

a) Net cash outflow from additions of property, plant and equipment are as follows:

	Group 2024 US$'000	2023 US$'000
Aggregate cost of property, plant and equipment acquired	**2,037**	1,507
Less: Additions of right-of-use assets	**(1,489)**	(828)
Net cash outflow for purchases of property, plant and equipment	**548**	679

b) Derecognition of right-of-use assets relates to expired and early termination of lease agreements.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 Property, plant and equipment (cont'd)

c) Right-of-use assets included in property, plant and equipment are disclosed below:

	Leasehold office units US$'000	Furniture, fixtures & fittings US$'000	Motor vehicle US$'000	Total US$'000
Group				
Cost				
At 1.1.2023	2,494	310	688	3,492
Additions	820	8	–	828
Derecognition of right-of-use assets	(946)	(57)	–	(1,003)
Exchange differences	–	3	13	16
At 31.12.2023	2,368	264	701	3,333
Additions	1,375	47	67	1,489
Derecognition of right-of-use assets	(950)	(183)	(36)	(1,169)
Exchange differences	(75)	(3)	(22)	(100)
At 31.12.2024	**2,718**	**125**	**710**	**3,553**
Accumulated depreciation				
At 1.1.2023	1,154	86	105	1,345
Additions	1,048	102	183	1,333
Derecognition of right-of-use assets	(946)	(30)	–	(976)
Exchange differences	1	2	5	8
At 31.12.2023	1,257	160	293	1,710
Additions	1,035	84	189	1,308
Derecognition of right-of-use assets	(950)	(182)	(36)	(1,168)
Exchange differences	(34)	(2)	(12)	(48)
At 31.12.2024	**1,308**	**60**	**434**	**1,802**
Net carrying amount				
At 31.12.2023	1,111	104	408	1,623
At 31.12.2024	**1,410**	**65**	**276**	**1,751**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12 Investment property

	Group	
	2024	2023
	US$'000	US$'000
Cost		
At 1 January and 31 December	**574**	574
Accumulated depreciation		
At 1 January	**28**	10
Depreciation charge	**18**	18
At 31 December	**46**	28
Net carrying value		
At 31 December	**528**	546

The following amounts are recognised in profit or loss:

	Group	
	2024	2023
	US$'000	US$'000
Rental income	**99**	98
Direct operating expenses arising from investment property	**(34)**	(30)

Based on valuation estimated by the Board, the fair value of its investment property located at 10 Anson Road, Singapore 079903 is US$3,327,000 (2023: US$3,693,000). The fair value was determined based on the direct comparison with recent transactions of comparable properties within the vicinity adjusted for differences in key attributes such as property size. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

13 Investment in subsidiaries

	Company	
	2024	2023
	US$'000	US$'000
Unquoted equity shares, at cost	**10,000**	10,000
Amount due from subsidiary	**3,538**	3,538
	13,538	13,538

The amount due from subsidiary is interest-free and has no repayment terms. Management determined that the amount due from subsidiary is quasi-equity in nature and is therefore included in investment in subsidiaries.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 Investment in subsidiaries (cont'd)

a) Details of subsidiaries are:

	Name of company	Principal activities	Country of incorporation and operation	Group's effective equity holding 2024 %	Group's effective equity holding 2023 %
	Held by the Company				
*	A-Sonic Aviation Solutions Pte. Ltd.	Providing retrofit solutions and the supply of aircraft systems and/or aerospace components	Singapore	**100**	100
*	A-Sonic Logistic Solutions Pte. Ltd.	Investment holding company	Singapore	**100**	100
	Held by A-Sonic Aviation Solutions Pte. Ltd.				
*	SWIFT AirCargo Private Limited	Aircraft ownership and lease/sales of aircraft and aircraft engines	Singapore	**100**	100
	Held by A-Sonic Logistic Solutions Pte. Ltd.				
*	A-Sonic SCM Private Limited	Investment holding and logistics related activities	Singapore	**100**	100
	Held by A-Sonic SCM Private Limited				
*	A-Sonic Logistics Pte. Ltd.	Logistics	Singapore	**100**	100
	Held by A-Sonic Logistics Pte. Ltd.				
#	A-Sonic Logistics (Korea) Co., Ltd	Logistics	Korea	**100**	100
**	A-Sonic Cargoplus (Malaysia) Sdn. Bhd.	Logistics	Malaysia	**100**	100
#	Express Customs Clearance (USA), Inc.	Customs clearance	USA	**100**	100
#, (c)	A-Sonic Logistics (Netherlands) B.V.	Logistics	Netherlands	**–**	100
#	A-Sonic Logistics (Australia) Pty Ltd	Logistics	Australia	**100**	100

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 Investment in subsidiaries (cont'd)

a) Details of subsidiaries are (cont'd):

	Name of company	**Principal activities**	**Country of incorporation and operation**	**Group's effective equity holding 2024 %**	**2023 %**
	Held by A-Sonic Logistics Pte. Ltd. (cont'd)				
***	A-Sonic Logistics (Vietnam) Company Limited	Logistics	Vietnam	**100**	100
#	A-Sonic Express Logistics (India) Private Limited	Logistics	India	**90**	90
**	A-Sonic Logistics (Malaysia) Sdn.Bhd.	Logistics	Malaysia	**100**	100
***	A-Sonic Logistics (H.K.) Limited	Logistics	Hong Kong S.A.R, The People's Republic of China ("PRC")	**100**	100
***	A-Sonic Marine (H.K.) Limited	Logistics	Hong Kong S.A.R, PRC	**100**	100
#	A-Sonic Logistics (USA), Inc.	Logistics	USA	**100**	100
#	A-Sonic Logistics (R.O.C) Co. Ltd	Logistics	PRC	**100**	100
#	A-Sonic Logistics (UK) Limited	Logistics	United Kingdom	**51**	51
	Held by A-Sonic Logistics (UK) Limited				
#, (c)	A-Sonic Logistics (Netherlands) B.V.	Logistics	Netherlands	**51**	–
	Held by A-Sonic Logistics (H.K.) Limited				
***	UBI Logistics Limited	Investment holding company	Hong Kong S.A.R, PRC	**72**	72
***	A-Sonic Logistics (China) Company Ltd	Logistics	PRC	**100**	100

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 Investment in subsidiaries (cont'd)

a) Details of subsidiaries are (cont'd):

	Name of company	Principal activities	Country of incorporation and operation	Group's effective equity holding 2024 %	2023 %
Held by UBI Logistics Limited					
**	UBI Logistics (China) Limited	Freight forwarding	PRC	**51**	51
***	UBI (HK) International Limited	Investment holding company	Hong Kong S.A.R, PRC	**51**	51
Held by UBI (HK) International Limited					
***	UBI Logistics (HK) Limited	Logistics	Hong Kong S.A.R, PRC	**51**	51
#	UBI Logistics (Australia) Pty Ltd[(1)]	Logistics	Australia	**38**	38
#	UBI Logistics (Canada) Limited (f.k.a. CALS Logistics, Inc.)	Logistics	Canada	**51**	51
#	Ultra Air Cargo, Inc.	Logistics	USA	**51**	51

Notes:

(1) The Group's subsidiary, UBI (HK) International Limited has a direct interest of 75% equity interest in UBI Logistics (Australia) Pty Ltd and management considers it a subsidiary as the Group has effective control over it.

Not required to be audited for the financial year ended 31 December 2024 by law of country of incorporation.

* Audited by Baker Tilly TFW LLP.

** Audited by independent member firms of Baker Tilly International in their respective countries.

*** Audited by other professional firms as follows:

Name of subsidiary	Name of auditors
A-Sonic Logistics (Vietnam) Company Limited	U & I Auditing Company Limited
A-Sonic Logistics (China) Company Ltd	Shanghai Victor Voyage Certified Public Accountants Co., Ltd
A-Sonic Logistics (H.K.) Limited	Vision A.S. Limited, CPA
A-Sonic Marine (H.K.) Limited	FastLane CPA Limited
UBI Logistics Limited	FastLane CPA Limited
UBI (HK) International Limited	Grand Merge CPA Limited
UBI Logistics (HK) Limited	Grand Merge CPA Limited

Cash and cash equivalents of US$6,275,000 (2023: US$11,951,000) are held in the People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency that can be remitted out of the country.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 Investment in subsidiaries (cont'd)

b) Summarised financial information of subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ country of incorporation	Effective ownership interest held by NCI	
		2024	2023
		%	%
UBI Logistics (China) Limited	PRC	**49**	49
UBI Logistics (Australia) Pty Ltd	Australia	**62**	62
UBI Logistics (HK) Limited	Hong Kong S.A.R, PRC	**49**	49

The following are the summarised financial information of each of the Group's subsidiaries with NCI that are considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

Summarised Balance Sheets

	UBI Logistics (China) Limited		UBI Logistics (Australia) Pty Ltd		UBI Logistics (HK) Limited	
	2024	2023	**2024**	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Non-current assets	**746**	508	**680**	115	**6**	9
Current assets	**18,685**	20,899	**12,994**	12,297	**8,865**	12,876
Non-current liabilities	**(67)**	(8)	**(311)**	–	**–**	–
Current liabilities	**(15,917)**	(17,972)	**(13,768)**	(13,336)	**(9,072)**	(12,486)
Net assets/(liabilities)	**3,447**	3,427	**(405)**	(924)	**(201)**	399
Net assets/(liabilities) attributable to NCI	**1,689**	1,679	**(250)**	(573)	**(98)**	196

NOTES TO **THE FINANCIAL STATEMENTS**

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13 Investment in subsidiaries (cont'd)

b) Summarised financial information of subsidiaries with material non-controlling interest ("NCI") (cont'd)

Summarised Income Statements

	UBI Logistics (China) Limited		UBI Logistics (Australia) Pty Ltd		UBI Logistics (HK) Limited	
	2024	2023	**2024**	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Turnover	**132,238**	86,796	**69,779**	48,940	**17,956**	26,419
Profit/(loss) before tax	**71**	39	**331**	169	**(599)**	(1,753)
Income tax credit/(expense)	**–**	(50)	**184**	–	**–**	–
Profit/(loss) after tax from continuing operations	**71**	(11)	**515**	169	**(599)**	(1,753)
Other comprehensive income	**–**	–	**–**	–	**–**	–
Total comprehensive income/(loss)	**71**	(11)	**515**	169	**(599)**	(1,753)
Profit/(loss) allocated to NCI	**35**	(5)	**318**	105	**(294)**	(859)

Summarised Cash Flows

	UBI Logistics (China) Limited		UBI Logistics (Australia) Pty Ltd		UBI Logistics (HK) Limited	
	2024	2023	**2024**	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Cash flows (used in)/generated from operating activities	**(4,599)**	(3,711)	**1,287**	2,605	**(1,134)**	(386)
Cash flows (used in)/generated from investing activities	**(160)**	(143)	**1,866**	(1,609)	**8**	(8)
Cash flows used in financing activities	**(378)**	(393)	**(173)**	(78)	**–**	(36)
Net (decrease)/increase in cash and cash equivalents	**(5,137)**	(4,247)	**2,980**	918	**(1,126)**	(430)

c) Transfer of a subsidiary

On 31 May 2024, A-Sonic Logistics Pte Ltd ("ASL") transferred its 100% equity interest in the subsidiary, A-Sonic Logistics (Netherlands) B.V. ("ASN"), to another of its subsidiaries, A-Sonic Logistics (UK) Limited, for a cash consideration of EUR 260,000. The effective shareholding of ASL in ASN has been reduced to 51%.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14 Investment in associated companies

The Group's investment in associated companies are summarised below:

	Group	
	2024	2023
	US$'000	US$'000
Carrying amount	**457**	351

Details of associated companies are:

Name of company	Principal activities	Country of incorporation and operation	Group's effective equity holding 2024 %	2023 %
Held by A-Sonic Logistics Pte. Ltd.				
* A-Sonic Logistics (Thailand) Co., Ltd	Logistics	Thailand	**49**	49
** A-Sonic Customs Broker Services (Malaysia) Sdn. Bhd.	Customs clearance	Malaysia	**49**	49
*** A-Sonic Logistics Lanka (Private) Limited	Logistics	Sri Lanka	**40**	40
# A-Sonic Logistics (Middle East) LLC	Logistics	United Arab Emirates	**49**	49

Notes:

* Audited by TIC Asia Pacific Co., Ltd.

** Audited by independent member firms of Baker Tilly International in Malaysia.

*** Audited by De Zoysa Associates.

\# Not required to be audited for the financial year ended 31 December 2024 by law of country of incorporation.

Investment in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

The activities of the associated companies are strategic to the Group's activities.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14 Investment in associated companies (cont'd)

Aggregate information about the Group's investment in associated companies that are not individually material are as follows:

	2024	2023
	US$'000	US$'000
Profit after tax from continuing operations	**201**	91
Total comprehensive income	**201**	91

The Group has not recognised its share of loss of certain associated companies totalling US$38,000 (2023: US$22,000) during the financial year because the Group's cumulative share of losses at the balance sheet date has exceeded its interest in those associated companies and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses at the balance sheet date in respect of the associated companies not recognised were US$324,000 (2023: US$286,000).

15 Fair value through other comprehensive income

	Group	
	2024	2023
	US$'000	US$'000
Unquoted equity shares, at fair value	**99**	99

The Group has made an irrevocable election to designate its unquoted equity investments as at FVOCI for equity investments not held for trading. The Group has designated its unquoted equity investments that are not held for trading as FVOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income and accumulated in fair value reserve and will never be reclassified to profit or loss.

16 Deferred tax (assets)/liabilities

The movements in the deferred tax (assets)/liabilities of the Group are as follows:

	Group	
	2024	2023
	US$'000	US$'000
At 1 January	**11**	(1)
(Credit)/charged to profit or loss for the year (Note 9)	**(186)**	12
Exchange differences	**11**	–
At 31 December	**(164)**	11
Representing:		
Non-current		
Deferred tax asset	**(164)**	–
Deferred tax liabilities	**–**	11
	(164)	11

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16 Deferred tax (assets)/liabilities (cont'd)

The following are the major deferred tax (assets) and liabilities recognised by the Group and the movements thereon, during the current and prior reporting periods:

Group

	Tax losses US$'000	Provisions US$'000	Total US$'000
At 1 January 2023	(1)	–	(1)
Charged to profit or loss for the year (Note 9)	12	–	12
At 31 December 2023	11	–	11
Credit to profit or loss for the year (Note 9)	(21)	(165)	(186)
Exchange differences	–	11	11
At 31 December 2024	**(10)**	**(154)**	**(164)**

At balance sheet date, the Group had unutilised tax losses as follows:

	Group	
	2024 US$'000	2023 US$'000
Unutilised tax losses	**18,400**	18,300

These potential tax benefits are available for carry-forward indefinitely to set-off against future taxable income, subject to compliance with relevant provisions of the tax legislation of the respective countries in which the Group operates. Included in unutilised tax losses are losses of US$3,936,000 (2023: US$4,501,000) that will expire in 2028 – 2033 (2023: 2028 – 2033). Other losses do not expire under current tax legislation.

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 US$'000	2023 US$'000
Tax losses carry forward	**3,118**	3,111

Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17 Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables	**26,621**	25,585	**–**	–
Payment of custom duties and freight recoverable from customers	**675**	817	**–**	–
Advance payment to suppliers	**646**	689	**–**	–
Deposits	**3,805**	3,330	**–**	–
Prepayments	**417**	650	**1**	4
GST/VAT receivables	**1,303**	811	**–**	–
Other receivables	**736**	598	**178**	52
	34,203	32,480	**179**	56

a) Trade receivables are stated after making the following impairment allowance:

	Group	
	2024	2023
	US$'000	US$'000
At beginning of financial year	**1,466**	1,081
Loss allowance measured/(reversed):		
Lifetime ECL		
– Simplified approach (Note 7)	**25**	466
– Written back (Note 7)	**(71)**	(30)
	(46)	436
Receivables written off as uncollectable	**(31)**	(54)
Exchange differences	**(32)**	3
At end of financial year	**1,357**	1,466

b) Other receivables are stated after making the following impairment allowance:

	Group	
	2024	2023
	US$'000	US$'000
At beginning of financial year	**298**	640
Additions (Note 7)	**2**	1
Receivable written off as uncollectable	**–**	(344)
Exchange differences	**(8)**	1
At end of financial year	**292**	298

c) Included in deposits are amounts placed with airlines and agents amounting to US$3,316,000 (2023: US$2,801,000) as security for services rendered.

Included in other receivables is a loan of US$303,000 (2023: US$303,000) to a non-controlling shareholder of a subsidiary. The amount is unsecured, interest-free and repayable on demand.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18 Contract assets and contract liabilities

Contract assets relate to the Group's rights to consideration for services rendered but not billed at the reporting date on the Group's services. Contract liabilities relate to advance consideration received from customers, billings in excess of revenue recognised to-date and deferred revenue. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

The following table provides information about contract assets and contract liabilities from contracts with customers.

	2024	2023	1.1.2023
	US$'000	US$'000	US$'000
Trade receivables from contracts with customers	**26,621**	25,585	25,881
Contract assets	**1,518**	812	5,683
Contract liabilities	**4**	33	165

Contract assets increased due to more services rendered ahead of the billing and lesser billing made and reclassified to trade receivables before end of the financial year. Contract liabilities decreased due to the fulfilment of obligations.

19 Due from/(to) subsidiaries – Company

The amounts due from/(to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

20 Due (to)/from associated companies

	Group	
	2024	2023
	US$'000	US$'000
Due (to)/from:		
Non-trade receivables	**699**	726
Less: Impairment allowance	**(699)**	(726)
Non-trade payables	**(504)**	(408)
	(504)	(408)

Non-trade amounts due (to)/from associated companies are unsecured, interest-free and repayable on demand.

Movements of impairment allowance for non-trade receivables are as follows:

	Group	
	2024	2023
	US$'000	US$'000
At beginning of financial year	**726**	724
Loss allowance measured/(reversed):		
Lifetime ECL		
– Simplified approach (Note 7)	**4**	7
– Written back (Note 7)	**(9)**	(18)
	(5)	(11)
Exchange difference	**(22)**	13
At end of financial year	**699**	726

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21 Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Bank and cash balances	**24,131**	27,053	**54**	224
Fixed deposits	**21,299**	20,520	**7,242**	7,107
Total cash and cash equivalents	**45,430**	47,573	**7,296**	7,331
Less: Fixed deposits pledged	**(2,199)**	(2,424)		
Cash and cash equivalents per consolidated statement of cash flows	**43,231**	45,149		

Fixed deposits amounting to US$2,199,000 (2023: US$2,424,000) are pledged to banks as security for the issuance of banker guarantees to suppliers.

22 Leases

The Group as a lessee

Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

i) The Group leases leasehold office units, furniture, fixtures and fittings and motor vehicles from non-related parties. The leases have tenure of between 2 to 5 years; and

ii) In addition, the Group leases certain furniture, fixtures and fittings, office space, copiers and motor vehicles with contractual terms of 1 month to 5 years. These leases are short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 29(b).

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in balance sheets

	Group	
	2024	2023
	US$'000	US$'000
Carrying amount of lease liabilities		
Current	**1,060**	813
Non-current	**868**	894
	1,928	1,707

The information about the right-of-use assets is disclosed in Note 11(c).

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22 Leases (cont'd)

The Group as a lessee (cont'd)

Nature of the Group's leasing activities (cont'd)

Amounts recognised in profit or loss

	Group	
	2024	2023
	US$'000	US$'000
Depreciation charge for financial year		
Leasehold office units	**1,035**	1,048
Furniture, fixtures and fittings	**84**	102
Motor vehicles	**189**	183
	1,308	1,333
Lease expense not included in the measurement of lease liabilities		
Lease expense – short-term leases	**425**	434
Lease expense – low value assets leases	**41**	26
Total (Note 8)	**466**	460
Interest expense on lease liabilities	**88**	113

During the financial year, total cash flow for leases amounted to US$1,855,000 (2023: US$1,893,000).

As at 31 December 2024, the Group has committed to US$447,000 (2023: US$364,000) for short-term leases.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Group	
	2024	2023
	US$'000	US$'000
At beginning of financial year	**1,707**	2,198
Changes from financing cash flows:		
– Repayments	**(1,301)**	(1,320)
– Interest paid	**(88)**	(113)
Non-cash changes:		
– Interest expense	**88**	113
– Additions of new leases	**1,489**	828
Exchange differences	**33**	1
At end of financial year	**1,928**	1,707

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23 Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Trade payables	**25,636**	26,969	**–**	–
Other payables	**1,813**	2,169	**–**	–
Accrued operating expenses	**5,692**	6,147	**352**	254
Custom duties and freight received in advance from customers	**2,763**	3,047	**–**	–
Advance from a director/shareholder of a subsidiary	**835**	847	**–**	–
	36,739	39,179	**352**	254

The advance from a director/shareholder of a subsidiary is unsecured, interest-free and is repayable on demand.

Reconciliation of movements of advance from a director/shareholder of a subsidiary to cash flows arising from financing activities:

	Group	
	2024	2024
	US$'000	US$'000
At beginning of financial year	**847**	2,963
Changes from financing cash flows:		
– Repayments	**–**	(2,116)
Exchange differences	**(12)**	–
At end of financial year	**835**	847

24 Provisions for liabilities

	Group	
	2024	2023
	US$'000	US$'000
At beginning of financial year	**160**	160
Reversal of provisions	**(160)**	–
At end of the financial year	**–**	160

The provision was mainly related to a claim filed by former employee on payment of wages. The provision made represents management's estimate of the settlement consideration after taking legal advice. The Group had not received any updates following the filing of the claim and the statutory limitation period had expired. Consequently, the provision was reversed during the financial year.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25 Share capital

	Group and Company			
	2024		2023	
	No. of shares	**US$'000**	No. of shares	US$'000
Issued and fully paid capital				
At beginning of financial year	**106,693,721**	**52,507**	88,912,626	52,507
Bonus issue	**–**	**–**	17,781,095	–
Shares bought back	**(23,600)**	**–**	–	–
At end of financial year	**106,670,121**	**52,507**	106,693,721	52,507

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

In December 2024, pursuant to the Company's share buyback mandate, the Company bought back and subsequently submitted to Accounting and Corporate Regulatory ("ACRA") to cancel a total of 23,600 shares for a consideration of US$4,000 made out of profits and the accumulated profits, and thus the number of shares of the Company were reduced correspondingly.

26 Contingent liabilities

At the balance sheet date, corporate guarantee given by the Company to banks for facilities issued by the banks to the Company's subsidiary amounted to US$6,912,000 (2023: US$6,973,000).

27 Dividends

	Group and Company	
	2024	2023
	US$'000	US$'000
Final exempt dividend of 0.75 Singapore cent per share paid in respect of the previous financial year ended 31 December 2022	**–**	600
Final exempt dividend of 0.25 Singapore cent per share paid in respect of the previous financial year ended 31 December 2023	**196**	–
	196	600

The directors have proposed a final tax exempt (one-tier) dividend of 0.5 Singapore cent per share for the financial year ended 31 December 2024, subject to approval by shareholders at the Annual General Meeting to be convened.

These financial statements do not reflect these dividends payable, which if approved at the Annual General Meeting of the Company, will be accounted for in the shareholders' equity as an appropriation of 2024 profit in the financial year ending 31 December 2025.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28 Related party transactions

In addition to related party information disclosed elsewhere in the financial statements, the Group had significant transactions with related parties during the financial year on terms mutually agreed by the parties concerned:

	Group	
	2024	2023
	US$'000	US$'000
With associated companies		
– Services rendered	**81**	65
– Freight charges	**(1,090)**	(724)

29 Financial instruments

a) Categories of financial instruments

Financial instruments as at balance sheet date are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Financial assets				
Fair value through other comprehensive income	**99**	99	**–**	–
Financial assets at amortised cost	**77,267**	77,903	**7,973**	8,230
Financial liabilities				
Financial liabilities at amortised cost	**38,378**	40,369	**504**	1,010

b) Financial risk management

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Group's and the Company's overall risk management framework is set by the Board of Directors of the Company which sets out the Group's and the Company's overall business strategies and its risk management philosophy. The Group's and the Company's overall risk management strategy seeks to minimise potential adverse effects from these financial risks on the Group's financial performance.

Foreign exchange risk

The Group and the Company do not have significant foreign exchange risk exposures arising from sales and purchases that are denominated in currency other than the respective functional currencies of Group entities.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Interest rate risk

The Group's exposure to changes in interest rate risk arises primarily from the Group's debt obligations. The Group manages its interest rate risk on its interest income by placing the surplus funds in fixed deposits of varying maturities and interest rate terms.

An increase or decrease in interest rates by 50 basis points for variable rate borrowings is not expected to have a significant impact on the Group's profit after tax.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the management.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers information (developed internally or obtained from external sources) that the debtor is unlikely to pay its creditors, including the Group, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet this criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

At the balance sheet date, the Group and Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheet and the amount of US$6,912,000 (2023: US$6,973,000) relating to corporate guarantees given by the Company to banks for a subsidiary's bank facilities.

The Group does not have significant credit risk exposure except that the Group's trade receivables comprise 1 debtor (2023: 1 debtor) that individually represented 11% (2023: 14%) of the trade receivables. There are no significant concentration credit risks for the Company other than amounts due from subsidiaries (Note 19) and corporate guarantees as stated above.

The credit loss exposure for cash and cash equivalents are immaterial as at 31 December 2024 and 31 December 2023.

The credit risk concentration profile of the Group's trade receivables based on the information provided to key management is as follows:

	Group	
	2024	2023
	US$'000	US$'000
By geographical areas		
Asia	**19,506**	16,505
Others	**7,115**	9,080
	26,621	25,585
By types of customers		
Third parties	**26,621**	25,585

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables, contract assets and other financial assets at amortised cost

The movements in credit loss allowance for trade receivables are disclosed in Note 17.

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

The contract assets relate to services rendered but not billed, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss for trade receivables is a reasonable approximation of the loss for the contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

The Group estimates the expected credit loss for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions with consideration of the current macroeconomic conditions on the ability of the customers to settle the receivables.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

The Group has recognised a loss allowance of 100% against all trade receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.

The table below details the credit quality of the Group's and the Company's financial assets and contract assets:

Group 2024	**12-month or lifetime ECL**	**Gross carrying amount US$'000**	**Loss allowance US$'000**	**Net carrying amount US$'000**
Trade receivables	Lifetime ECL	**27,978**	**(1,357)**	**26,621**
Other receivables – third parties	Lifetime ECL	**1,028**	**(292)**	**736**
Other receivables (custom duties and freight receivables from customers and deposits)	12-month ECL	**4,480**	**–**	**4,480**
Due from associated companies	Lifetime ECL	**699**	**(699)**	**–**
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	**45,430**	**–**	**45,430**

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables, contract assets and other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets and contract assets (cont'd):

Group 2023	**12-month or lifetime ECL**	**Gross carrying amount US$'000**	**Loss allowance US$'000**	**Net carrying amount US$'000**
Trade receivables	Lifetime ECL	27,051	(1,466)	25,585
Other receivables – third parties	Lifetime ECL	896	(298)	598
Other receivables (custom duties and freight receivables from customers and deposits)	12-month ECL	4,147	–	4,147
Due from associated companies	Lifetime ECL	726	(726)	–
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	47,573	–	47,573

Company 2024	**12-month or lifetime ECL**	**Gross carrying amount US$'000**	**Loss allowance US$'000**	**Net carrying amount US$'000**
Other receivables – third parties	12-month ECL	**178**	**–**	**178**
Due from subsidiaries	Lifetime ECL	**499**	**–**	**499**
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	**7,296**	**–**	**7,296**

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables, contract assets and other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets and contract assets (cont'd):

Company 2023	12-month or lifetime ECL	Gross carrying amount US$'000	Loss allowance US$'000	Net carrying amount US$'000
Other receivables – third parties	12-month ECL	52	–	52
Due from subsidiaries	Lifetime ECL	847	–	847
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	7,331	–	7,331

Financial guarantee

The Company has issued financial guarantees to banks for bank facilities of its subsidiary (Note 26). These guarantees are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*. The Company has assessed that its subsidiary has the ability to meet the contractual cash flow obligations and does not expect significant credit losses arising from these guarantees.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage the liquidity risk by maintaining an adequate level of cash and cash equivalents to finance the Group's operations. The Group and the Company ensure the availability of bank credit lines to address any short-term funding requirements.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	Within 1 year US$'000	Within 2 to 5 years US$'000	Total US$'000
Group			
2024			
Financial liabilities			
Trade and other payables	**35,946**	**–**	**35,946**
Due to associated companies	**504**	**–**	**504**
Lease liabilities	**1,137**	**889**	**2,026**
2023			
Financial liabilities			
Trade and other payables	38,255	–	38,255
Due to associated companies	408	–	408
Lease liabilities	875	935	1,810
Company			
2024			
Financial liabilities			
Trade and other payables	**352**	**–**	**352**
Due to subsidiaries	**152**	**–**	**152**
2023			
Financial liabilities			
Trade and other payables	254	–	254
Due to subsidiaries	756	–	756

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	Company One year or less	
	2024 US$'000	2023 US$'000
Financial guarantee contracts	**6,912**	6,973

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 Fair value of assets and liabilities

a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Financial instruments that are carried at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the balance sheet at the end of the reporting period:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Recurring fair value measurements				
Group				
2024				
Financial assets				
Fair value through other comprehensive income				
– Unquoted equity shares	**–**	**–**	**99**	**99**
2023				
Financial assets				
Fair value through other comprehensive income				
– Unquoted equity shares	–	–	99	99

The fair value of the unquoted equity shares is determined using income approach based on the dividend discount model with a cost of equity of 16.5%. Lower or higher rates used would result in higher or lower fair value measurement. The dividend forecasts were estimated by Management based on past distributions and current market, economic and other conditions at the end of the reporting period. These estimations are based on Management's estimations of expected dividend growth and business recovery amidst macroeconomic uncertainties. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 Fair value of assets and liabilities (cont'd)

c) Assets not carried at fair value but which fair value is disclosed

	Fair value measurements at the end of the reporting period			
	Carrying amount US$'000	**Level 1 US$'000**	**Level 2 US$'000**	**Level 3 US$'000**
2024				
Assets				
Investment property	**528**	**–**	**–**	**3,327**
2023				
Assets				
Investment property	546	–	–	3,693

The basis of determining fair value of the investment property for disclosure at the end of the reporting period is disclosed in Note 12.

d) Financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the financial assets and financial liabilities (except for financial assets at fair value through other comprehensive income and lease liabilities) recorded in the financial statements of the Group and the Company approximate their fair values due to the relatively short-term maturity of these financial instruments.

31 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, adjust the amount of dividend payment, return capital to the shareholders and buy back issued shares. The directors of the Company consider that the capital structure of the Group and the Company comprises share capital and reserves. The Group's overall strategy remains unchanged from 2023.

32 Segment information

For management purpose, the Group is organised into 2 business segments based on their products and services as follows:

i) Aviation

ii) Logistics

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment of each segment. Reportable segments' turnover, profit before tax, interest income and finance costs are measured in a manner consistent with that in the consolidated statement of profit or loss and statement of comprehensive income. The amounts provided to the management with respect to reportable segments' assets and liabilities are measured in a manner consistent with that of the financial statements.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Segment information (cont'd)

Business segments – Group

Reportable segments are as follows:

	Aviation		Logistics		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Turnover from reportable segments	**17**	14	**275,927**	216,013	**275,944**	216,027
Dividend income	**–**	–	**476**	446	**476**	446
Interest income	**359**	347	**737**	485	**1,096**	832
Finance costs	**–**	(2)	**(88)**	(111)	**(88)**	(113)
Depreciation of property, plant and equipment	**(57)**	(33)	**(1,961)**	(2,029)	**(2,018)**	(2,062)
Depreciation of investment property	**(18)**	(18)	**–**	–	**(18)**	(18)
Share of results of associated company	**–**	–	**91**	73	**91**	73
(Loss)/gain on disposals of property, plant and equipment	**–**	74	**(19)**	42	**(19)**	116
Derecognition of right-of-use assets	**–**	–	**(1)**	(27)	**(1)**	(27)
Taxation expense	**–**	–	**(390)**	(437)	**(390)**	(437)
Reportable segment (loss)/profit	**(334)**	(356)	**3,581**	799	**3,247**	443
Other material non-cash items						
(Impairment allowance written back)/ impairment allowance for trade receivables, net	**–**	–	**(46)**	436	**(46)**	436
Impairment allowance for non-trade receivables	**–**	–	**2**	1	**2**	1
Impairment allowance written back for amounts due from associated companies, net	**–**	–	**(5)**	(11)	**(5)**	(11)
Reversal of provisions for liabilities	**–**	–	**160**	–	**160**	–
Segment assets	**8,931**	8,918	**78,644**	78,512	**87,575**	87,430
Unallocated assets					**423**	1
Total assets					**87,998**	87,431
Segment assets include:						
Investment in associated companies	**–**	–	**457**	351	**457**	351
Additions to non-current assets	**–**	425	**2,037**	1,082	**2,037**	1,507
Segment liabilities	**391**	408	**38,784**	41,079	**39,175**	41,487
Unallocated liabilities					**479**	171
Total liabilities					**39,654**	41,658

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Segment information (cont'd)

Geographical information – Group

Turnover information is derived based on the country of domicile of the member entities of the Group, whereas non-current assets information is based on the geographical location of the assets.

The geographical information derived using the above basis is as follows:

	Turnover for reportable segments	
	2024	2023
	US$'000	US$'000
The People's Republic of China (including Hong Kong S.A.R)	**151,683**	116,082
Australia	**70,885**	50,066
Singapore	**21,069**	22,526
United States of America	**17,432**	15,434
Other countries	**14,875**	11,919
	275,944	216,027

	Non-current assets for reportable segments	
	2024	2023
	US$'000	US$'000
Singapore	**2,815**	3,281
United States of America	**1,954**	2,171
Other countries	**1,555**	1,014
	6,324	6,466

Non-current assets information presented above are non-current assets as presented on the consolidated balance sheet excluding fair value through other comprehensive income and deferred tax assets.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Segment information (cont'd)

Information about major customer

Revenue is derived from nil (2023: 1) external customer who individually contributed 10% or more of the Group's revenue and are attributable to the Group's logistics segment.

	Group	
	2024	2023
	US$'000	US$'000
Customer A	**–**	21,943

33 Authorisation of financial statements

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors dated 7 April 2025.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

The following additional information on Ms Irene Tay Gek Lim and Mr Gurbachan Singh, each of whom is seeking re-election as a Director at the Annual General Meeting of the Company on 25 April 2025, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of Director	**Irene Tay Gek Lim**	**Gurbachan Singh**
Date of first appointment as Director	20 May 2004	29 April 2016
Date of last appointment as a Director	28 April 2022	28 April 2022
Age	64	75
Country of Residence	Singapore	Singapore
The Board's comments on the re-election	Ms Irene Tay Gek Lim is an Executive Director of the Company. Her responsibilities include overseeing the logistics business unit under the branding "A-Sonic Logistics".	Mr Gurbachan Singh has related expertise particularly in corporate taxation which requires a fair understanding in financial matters. He has continued to discharge his duties well and continually to contribute positive to the Company with his wealth of experience and expertise.
Whether appointment is executive, and if so, the area of responsibility	Overseeing logistics business unit under the branding "A-Sonic Logistics"	Non-executive Independent
Job Title	Executive Non-Independent Director	Non-executive Independent Director Member of Audit Committee Member of Remuneration Committee
Professional qualifications	Bachelor of Economics, Monash University (Australia) Bachelor of Laws, Monash University (Australia) Degree of Master of Laws, National University of Singapore Master of Science in the Social Sciences (International Banking and Financial Studies), University of Southampton (United Kingdom)	Bachelor of Law, University of Singapore
Working experience and occupation(s) during the past 10 years	Executive Director of A-Sonic Aerospace Limited since 2008 to present.	Partner and later Managing Partner of large law firm from 1991-December 2013 Managing Partner of GSM Law LLP from 24 April 2014 to present.
Shareholding interest in the listed issuer and its subsidiaries	1,557,074 A-Sonic shares	NIL

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name of Director	Irene Tay Gek Lim	Gurbachan Singh
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	NIL	NIL
Conflict of interest (including any competing business)	NIL	NIL
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships * "Principal Commitments" has the same meaning as defined in the Code.	Executive Director of A-Sonic Group	• Indiabulls Property Management Trustee Pte Ltd (Director) • GSM Law LLP (Managing Director)
Disclose the following matters concerning the director: (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name of Director	Irene Tay Gek Lim	Gurbachan Singh
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name of Director	Irene Tay Gek Lim	Gurbachan Singh
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name of Director	Irene Tay Gek Lim	Gurbachan Singh
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ANALYSIS OF **SHAREHOLDINGS**

AS AT 20 MARCH 2025

SHARE CAPITAL

Issued and Fully Paid-Up Capital	:	S$73,463,830.17
Class of shares	:	Ordinary shares
Voting rights	:	On poll – 1 vote for each ordinary share
Number of Subsidiary Holdings[1]	:	0

DISTRIBUTION OF SHAREHOLDINGS AS AT 20 MARCH 2025

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 – 99	954	19.59	46,995	0.04
100 – 1,000	1,826	37.49	757,956	0.72
1,001 – 10,000	1,642	33.72	5,426,792	5.13
10,001 – 1,000,000	442	9.08	20,597,307	19.46
1,000,001 and above	6	0.12	79,028,771	74.65
TOTAL	**4,870**	**100.00**	**105,857,821**	**100.00**

Note:

1 "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967 of Singapore.

PUBLIC FLOAT

The Company has complied with Rule 723 of the Listing Manual issued by SGX-ST. As at 20 March 2025, approximately 36.03% of the Company's ordinary shares listed on the SGX-ST were held in the hands of the public.

ANALYSIS OF **SHAREHOLDINGS**

AS AT 20 MARCH 2025

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	JANET LC TAN	66,163,000	62.50
2	DBS NOMINEES PTE LTD	4,997,177	4.72
3	CITIBANK NOMINEES SINGAPORE PTE LTD	3,597,261	3.40
4	IRENE TAY GEK LIM	1,557,074	1.47
5	MAYBANK SECURITIES PTE. LTD.	1,434,759	1.35
6	ENG KOON HOCK	1,279,500	1.21
7	ABN AMRO CLEARING BANK N.V.	783,031	0.74
8	RAFFLES NOMINEES (PTE) LIMITED	744,070	0.70
9	PHILLIP SECURITIES PTE LTD	476,698	0.45
10	OCBC SECURITIES PRIVATE LTD	452,906	0.43
11	DBS VICKERS SECURITIES (S) PTE LTD	434,562	0.41
12	UOB KAY HIAN PTE LTD	402,470	0.38
13	KOH PECK HOON	388,754	0.37
14	TOH KHAI WEI	387,074	0.37
15	KISMIS TRUST PTE LTD	386,169	0.37
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	337,244	0.32
17	OCBC NOMINEES SINGAPORE PTE LTD	333,402	0.31
18	TEO CHOR KOK	315,809	0.30
19	LIM AND TAN SECURITIES PTE LTD	286,850	0.27
20	KHOO THOMAS CLIVE	234,998	0.22
	TOTAL	84,992,808	80.29

SUBSTANTIAL SHAREHOLDER

	Direct interest		Deemed interest		Total	
Name of shareholder	No. of shares	%	No. of shares	%	No. of shares	%
JANET LC TAN	66,163,000	62.50	–	–	66,163,000	62.50

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at MND Function Room, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on Friday, 25 April 2025 at 3.00 p.m. to transact the following business:–

Routine Business

1 To receive and adopt the financial statements of the Company for the year ended 31 December 2024 together with the directors' statement and auditors' report thereon.

(Resolution 1)

2 To declare a final one-tier tax exempt dividend of 0.50 Singapore cent per share for the financial year ended 31 December 2024.

(Resolution 2)

3 To approve directors' fees of S$180,000.00 for the financial year ended 31 December 2024 (2023: S$217,500.00).

(Resolution 3)

4(a) To re-elect Ms Irene Tay Gek Lim, a director who will retire by rotation pursuant to regulation 91 of the Constitution of the Company and who, being eligible, will offer herself for re-election.
[See Explanatory Note (a)]

(Resolution 4(a))

4(b) To re-elect Mr Gurbachan Singh, a director who will retire by rotation pursuant to regulation 91 of the Constitution of the Company and who, being eligible, will offer himself for re-election.
[See Explanatory Notes (a) and (b)]

(Resolution 4(b))

5 To re-appoint Baker Tilly TFW LLP as auditors of the Company and to authorise the directors to fix their remuneration.

(Resolution 5)

Special Business

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:–

6 Authority to allot and issue shares

(a) That pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the directors of the Company at any time upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

NOTICE OF **ANNUAL GENERAL MEETING**

(b) notwithstanding the authority conferred by the shareholders may be ceased to be in force, issue shares in pursuance of any Instruments made or granted by the directors while the authority was in force,

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be the Company's total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time this resolution is passed, after adjusting for:

(aa) new shares arising from the conversion or exercise of convertible securities;

(bb) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(cc) any subsequent bonus issue, consolidation or subdivision of the Company's shares;

and adjustments in accordance with (aa) or (bb) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution; and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (c)]

(Resolution 6)

7 Renewal of Share Buyback Mandate

That:

(a) for the purposes of the Companies Act 1967 ("Companies Act"), the exercise by the directors of the Company ("Directors") of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

(i) market purchase(s) ("Market Purchase") on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or

NOTICE OF **ANNUAL GENERAL MEETING**

(ii) off-market purchase(s) ("Off-Market Purchase") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

(b) unless varied or revoked by the shareholders of the Company (the "Shareholders") in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held; or

(ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding,

(i) in the case of a Market Purchase, 105% of the Average Closing Market Price; and

(ii) in the case of an Off-Market Purchase, pursuant to an equal access scheme, 120% of the Highest Last Dealt Price;

"Maximum Limit" means the number of issued Shares representing 10% of the total number of issued Shares of the Company as at the date of the passing of this Resolution;

"Average Closing Market Price" means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchase is made;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of making of the offer pursuant to the Off-Market Purchase;

"day of making of the offer" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market Day" means a day on which the SGX-ST is open for trading of securities.

NOTICE OF **ANNUAL GENERAL MEETING**

(d) any Director be and is hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.
[See Explanatory Note (d)]

(Resolution 7)

8 To transact any other business which may properly be transacted at an annual general meeting.

BY ORDER OF THE BOARD

CHOW SI YING/NOR HAFIZA ALWI
COMPANY SECRETARIES

Singapore,
10 April 2025

Explanatory Notes:–

(a) Detailed information on the directors who are proposed to be re-elected can be found under the sections entitled "Board of Directors", "Corporate Governance Statement" and "Additional Information on Directors Seeking Re-election" of the Company's Annual Report 2024.

(b) Mr Gurbachan Singh, if re-elected as a director, will remain as the Chairman of the Nominating Committee and Remuneration Committee, a member of the Audit & Risk Management Committee and will be considered as an Independent Director.

(c) The ordinary resolution set out in item 6 above, if passed, will empower the directors from the date of the above meeting until the date of the next annual general meeting, to issue shares and convertible securities in the Company. The number of shares and convertible securities which the directors may issue under this resolution would not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed. For issues of shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed.

(d) The ordinary resolution in item 7 above, if passed, will renew the Share Buyback Mandate authorising the directors of the Company, from time to time, to buy back shares of the Company by way of market purchase(s) and/or off-market purchase(s) subject to and in accordance with the prescribed rules and regulations governed by the Companies Act 1967, the Listing Manual and such other laws and regulations as may for the time being applicable. Please refer to Letter to Shareholders dated 10 April 2025 for details.

Notes:–

A. Physical Meeting

1. The Annual General Meeting ("AGM") will be held at MND Function Room, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112. The Notice of AGM is available on SGXNET and the Company's website at the URL https://www.asonic-aerospace.com/annual-report/.

2. The Annual Report 2024 and the Letter to Shareholders dated 10 April 2025 (in relation to the proposed renewal of the share buyback mandate) may be accessed at SGXNET and the Company's website at the URL https://www.asonic-aerospace.com/annual-report/.

B. Submission of Proxy Form

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

NOTICE OF **ANNUAL GENERAL MEETING**

The proxy form is available on SGXNET and the Company's website at the URL https://www.asonic-aerospace.com/annual-report/.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be (i) if submitted by post, deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896 or (ii) if submitted electronically, email to main@zicoholdings.com by 3.00 p.m. 22 April 2025, not less than 72 hours before the time appointed for holding the AGM, and in default the instrument of proxy shall be treated as invalid.

4. CPF and SRS investors:

   (a) may attend the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 April 2025, being seven (7) working days prior to the date of AGM.

C. Submission of Questions

1. The Board strongly encourages shareholders to submit questions in advance of the AGM to ensure the directors can address as many questions as possible. Pre-submitted questions can be emailed to corporate@asonic-aerospace.com or by post to the Company at A-Sonic Aerospace Limited, 10 Anson Road #24-07, International Plaza, Singapore 079903. All questions must reach us by **3.00 p.m. on 17 April 2025**.

2. When sending in your questions via email, please also provide us with the following details:

   - your full name;
   - your NRIC/Passport number;
   - your email address; and
   - the manner in which you hold shares in A-Sonic (e.g., via CDP, CPF or SRS).

3. The Company will endeavor to address all substantial and relevant questions received from shareholders by 17 April 2025, at least 48 hours prior to the closing date and time for submission of instruments appointing proxy(ies). A summary of the responses to those questions will be posted on the Company's website and on SGX website.

RECORD DATE AND PAYMENT DATE FOR DIVIDEND

NOTICE IS HEREBY GIVEN that the Transfer Book and Register of Members of the Company will be closed on 16 May 2025 for the purpose of determining members' entitlements to the final one-tier tax exempt dividend to be approved by members at the Company's annual general meeting to be held on 25 April 2025.

Duly completed transfers received by the Company's Registrar, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on 16 May 2025 will be registered before entitlements to the dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 16 May 2025 will be entitled to the dividend.

The dividend, if approved at the Company's annual general meeting, will be paid on 30 May 2025.

PERSONAL DATA PRIVACY:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, or submitting any question prior to the AGM in accordance with the Notice of AGM dated 10 April 2025, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes: (i) processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof); (ii) addressing substantial and relevant questions from the members received before the AGM and if necessary, following up with the relevant members in relation to such questions; (iii) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

A-SONIC AEROSPACE LIMITED
(Incorporated In The Republic Of Singapore)
Company Registration No. 200301838G

PROXY FORM

This Proxy Form has been made available on the Company's website at the URL https://www.asonic-aerospace.com/index.php/investor-relations.html and on the SGXNET.

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act 1967, may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective CPF Agent Banks or SRS Operators if they have queries regarding their appointment as proxies. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 15 April 2025.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of Annual General Meeting dated 10 April 2025.

I/We ______________________________ NRIC/Passport/Co. Reg. No. ______________________

of ____

being a member/members of A-Sonic Aerospace Limited hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/them, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at MND Function Room, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on Friday, 25 April 2025 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from the voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions	For	Against	Abstain
Ordinary Business				
1	To receive and adopt the financial statements of the Company for the year ended 31 December 2024 together with the directors' statement and auditors' report thereon			
2	To declare a final one-tier tax exempt dividend			
3	To approve the directors' fees for the financial year ended 31 December 2024			
4(a)	To re-elect Ms Irene Tay Gek Lim as director			
4(b)	To re-elect Mr Gurbachan Singh as director			
5	To re-appoint Baker Tilly TFW LLP as auditors and to authorise the directors to fix their remuneration			
Special Business				
6	To authorise the directors to allot and issue shares pursuant to Section 161 of the Companies Act 1967			
7	To approve the proposed renewal of the Share Buyback Mandate			

Note: Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the relevant resolution, please tick (√) in the relevant box provided. Alternatively, if you wish to exercise some of your votes "For" or some of your votes "Against" the relevant resolution, and/or to abstain from voting on the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this __________ day of ______________ 2025

Total Number of Shares held	
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s) or Common Seal of Corporate Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES TO PROXY FORM

1 If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If the number of shares is not inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(c) CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 April 2025, being seven (7) working days prior to the date of the AGM.

This proxy form is available on SGXNET and the Company's website at the URL https://www.asonic-aerospace.com/annual-report/.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3 A proxy need not be a member of the Company.

4 The instrument appointing a proxy or proxies must be (i) if submitted by post, deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896 or (ii) if submitted electronically, email to main@zicoholdings.com by 3.00 p.m. 22 April 2025, not less than 72 hours before the time appointed for holding the AGM, and in default the instrument of proxy shall be treated as invalid.

5 Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.

6 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer of the corporation.

7 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.

9 The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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