

A-SONIC AEROSPACE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 200301838G

MINUTES OF THE TWENTY FIRST ANNUAL GENERAL MEETING OF THE COMPANY HELD AT MND AUDITORIUM, 9 MAXWELL ROAD, ANNEXE A, MND COMPLEX, SINGAPORE 069112 ON FRIDAY, 26 APRIL 2024 AT 3.00 P.M.

PRESENT : AS PER ATTENDANCE SHEET

CHAIRMAN

Ms Janet Tan (the “Chairman”) chaired the meeting.

The Chairman welcomed the members to the Twenty First Annual General Meeting and introduced the Directors, namely Ms Jenny Tan, Ms Irene Tay, Mr Gurbachan Singh, Mr Leonard Ong and Mr Lim Soon Hock to the members.

QUORUM

There being a quorum present, the Chairman called the AGM to order at 3.00 p.m.

NOTICE OF MEETING

Following the address, the Chairman proposed that the notice to convene the meeting, which had been publicly published, be taken as read.

Voting of all resolutions at the meeting were conducted by way of a poll as required by the Listing Rules.

Agile 8 Advisory Pte. Ltd. and B.A.C.S Private Limited were appointed as scrutineer and polling agent, respectively, for the poll. A manual poll was conducted for all the resolutions towards the end of the meeting after all the resolutions were proposed and seconded.

Shareholders were given the opportunity to send, or email, their questions prior to the AGM. The Company received written submission of questions from shareholders by the cut-off time on 18 April 2024. Members also raised queries at the meeting. Responses to questions from our shareholders were addressed during the AGM. The questions and responses raised were summarised at Appendix 1.

BUSINESS OF MEETING

**AS ROUTINE BUSINESS
ORDINARY RESOLUTIONS**

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

Chairman proposed the ordinary resolution to vote: "That the directors' statement and audited financial statements for the year ended 31 December 2023 and the auditors' report thereon be received and adopted."

The results of the votes were:

Number of shares voted for was 68,647,279 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

2. FINAL TAX EXEMPT DIVIDEND

Chairman proposed the ordinary resolution to vote: "That a final one-tier tax exempt dividend of 0.25 Singapore cent per share for the year ended 31 December 2023 be approved".

The results of the votes were:

Number of shares voted for was 68,586,390 representing 99.91%,

Number of shares voted against was 60,000 representing 0.09%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

3. DIRECTORS' FEES

Chairman proposed the ordinary resolution to vote: "That the directors' fees of S\$217,500 for the financial year ended 31 December 2023 be approved".

The results of the votes were:

Number of shares voted for was 68,646,390 representing 99.99%,

Number of shares voted against was 889 representing 0.01%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

4. RE-ELECTION OF MS JENNY TAN LAY YONG

The Chairman informed the meeting that Ms Jenny Tan Lay Yong was to retire by rotation in accordance with Regulation 91 of the Company's Constitution, and being eligible, offered herself for re-election. Additional information on Ms Jenny Tan Lay Yong could be found on pages 94 to 96 of the Company's Annual Report 2023.

Chairman proposed the ordinary resolution to vote: "That Ms Jenny Tan Lay Yong, retiring pursuant to Regulation 91 of the Company's Constitution be re-elected as a director of the Company".

The results of the votes were:

Number of shares voted for was 68,646,390 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

The Chairman moved on to the next item of the agenda.

5(a). RE-ELECTION OF MR LEONARD ONG CHEE HEIN

The Chairman informed the meeting that Mr Leonard Ong Chee Hein was to retire by rotation in accordance with Regulation 97 of the Company's Constitution at the meeting, and being eligible, offered himself for re-election. Mr Leonard Ong Chee Hein has been an independent director and if re-elected as a director, he would remain as a Chairman of the Audit and Risk Management Committee, a member of the Remuneration Committee and Nominating Committee. Additional information on Mr Leonard Ong Chee Hein could be found on pages 97 to 104 of the Company's Annual Report 2023.

Chairman proposed the ordinary resolution to vote: "That Mr Leonard Ong Chee Hein, retiring pursuant to regulation 97 of the Company's Constitution, be re-elected as a director of the Company".

The results of the votes were :

Number of shares voted for was 68,646,390 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

5(b). RE-ELECTION OF LIM SOON HOCK

The Chairman informed the meeting that Mr Lim Soon Hock was to retire by rotation in accordance with Regulation 97 of the Company's Constitution at the meeting, and being eligible, offered himself for re-election. Mr Lim Soon Hock has been an independent director and if re-elected as a director, he would remain as a member of the Audit and Risk Management Committee and Remuneration Committee. Additional information on Mr Lim Soon Hock could be found on pages 97 to 104 of the Company's Annual Report 2023.

Chairman proposed the ordinary resolution to vote: "That Mr Lim Soon Hock, retiring pursuant to regulation 97 of the Company's Constitution, be re-elected as a director of the Company".

The results of the votes were :

Number of shares voted for was 68,646,390 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

6. AUDITORS

The Chairman informed the meeting that Baker Tilly TFW LLP, had expressed their willingness to accept re-appointment as Auditors of the Company.

Chairman proposed the ordinary resolution to vote: "That Baker Tilly TFW LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at a remuneration to be fixed by the directors of the Company."

The results of the votes were:

Number of shares voted for was 68,647,279 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

AS SPECIAL BUSINESS
ORDINARY RESOLUTIONS

7. AUTHORITY TO ALLOT AND ISSUE SHARES

Chairman proposed the original resolution to vote as set out in agenda item 7 in the notice of AGM:

“7 Authority to allot and issue shares

- (a) That pursuant to Section 161 of the Companies Act 1967 (“Companies Act”) 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
- (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."

The results of the votes were:

Number of shares voted for was 67,777,390 representing 98.73%,

Number of shares voted against was 869,000 representing 1.27%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

8. APPROVAL FOR RENEWAL OF SHARE BUYBACK MANDATE

Chairman proposed the ordinary resolution to vote as set out in agenda item 8 in the notice of AGM:

"8 Renewal of Share Buyback Mandate

That:

- (a) for the purposes of the 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 SGX-ST; and/or
 - (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.

- (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.”

The results of the votes were:

Number of shares voted for was 68,586,390 representing 99.91%,

Number of shares voted against was 60,000 representing 0.09%.

Based on the results, the Chairman declared the ordinary resolution carried.

CLOSURE

There being no other special business, the meeting ended at 5.00 p.m. with a vote of thanks to the Chairman.

Recorded By:

Vetted By:

Ms Hue Su Li
Joint Company Secretary

Ms Janet Tan
Chairman

Appendix

Responses to substantial questions from our shareholders

We have set out our responses to the questions raised through the following themes:

- (i) Aviation Business;
- (ii) Logistics Business;
- (iii) Dividend; and
- (iv) General

Theme	No.	Questions	Responses
Aviation Business	A1	The Group has 2 business segments, logistics & aviation. The “Turnover” generated from the aviation business was US\$14,000, and incurred a loss of US\$0.356 million in FY 2023. What is the reason to maintain the aviation business unit?	<p>The A-Sonic Group was originally established as an aviation business. For now, the aviation business is ad hoc.</p> <p>The losses were partially attributable to expenses related to directors’ fees, listing-related fees, and professional fees.</p>
Logistics Business	L1	The Group’s “Turnover” decreased significantly in FY 2023. Please elaborate.	<p>Our Group’s “Turnover” declined US\$162.754 million (43.0%) to US\$216.027 million in the financial year ended 31 December 2023 (“FY 2023”), compared to US\$378.781 million for FY 2022. All our three (3) business units recorded lower “Turnover”:</p> <ul style="list-style-type: none"> (a) the aviation business unit recorded a decline of US\$1.287 million (0.8%); (b) the logistics business unit operating under the “A-Sonic Logistics” brand name recorded a decline of US\$29.440 million (18.1%); and (c) the logistics business unit operating under the “UBI Logistics” brand name recorded a decline of US\$132.027 million (81.1%). <p>Of the US\$161.467 million reduction in our logistics “Turnover”, two (2) regions faced sharp declines. Collectively The People’s Republic of China (including Hong Kong S.A.R); and North America, more specifically the USA and Canada, accounted for 90.7% (US\$147.523 million) of our Group’s contraction in “Turnover”:</p> <p>The weaker performances of our Trans-Pacific trade routes were largely attributed to macro-economic structural challenges, resulting in weaker global demand. Cargo volume contracted, which led to softer freight rates. The reduction in cargo volume and lower freight rates, led to a steep decline in “Turnover”.</p>

Theme	No.	Questions	Responses
	L2	<p>The Group's "Turnover" declined significantly in FY 2023, compared to FY 2022, primarily due to the contraction of the economy in The People's Republic of China ("PRC"). Do you see a recovery in the PRC?</p>	<p>Based on recent public reports published by The People's Republic of China ("PRC")'s National Bureau of Statistics, for January to March 2024, the gross domestic product ("GDP") reached 29.6 trillion yuan (US\$4 trillion), an increase of 5.3%, compared with 5.2% in the previous quarter.</p> <p>However, the March indicators released alongside the GDP data – including property investment, retail sales and industrial output – showed that demand in the PRC remains weak and is slowing overall momentum.</p> <p>A copy of the news reported is attached at Exhibit 1.</p>
	L3	<p>Despite experiencing a decline of 42.5% in revenue, "Trade Receivables" remained relatively unchanged at US\$25.6 million as at 31 December 2023, compared to US\$25.9 million as at 31 December 2022.</p> <p>What are the reasons for the relatively high levels of "Trade Receivables" given that "Turnover" had decreased substantially?</p>	<p>Our Group's "Turnover" for November and December in FY 2022 and FY 2023 were relatively unchanged. In FY 2023, our November and December "Turnover" amounted to US\$40.631 million. In FY 2022, it totaled US\$45.166 million. As a result, our "Trade Receivables" as at 31 December FY 2023 and FY 2022, remained relatively unchanged at about US\$25 million. This is in line with our Group's aging of "Trade Receivables". In FY 2023 and FY 2022, approximately 86% and 90%, respectively, of our "Trade Receivables" were in the range of 0 to 60 days.</p> <p>This meant that, in the first ten (10) months (1 January to 31 October) in FY 2023, our Group's "Turnover" had declined US\$158.219 million, compared to the same corresponding period in FY 2022. Hence, despite a decline of US\$162.754 million in "Turnover" in FY 2023, compared to FY 2022, our "Trade Receivables" as at 31 December FY 2023 and FY 2022 remained relatively unchanged.</p>
Dividend	D1	<p>Does the Company have a dividend policy?</p>	<p>The Group intends to pay dividend when the Group generates operating profit in that financial year, and provided that:</p> <ul style="list-style-type: none"> (i) the Group's operating cash flow permits; (ii) having regards to the foreseeable growth plan of the Group; and (iii) depending on the prevailing economic and financial market environment.

Theme	No.	Questions	Responses
	D2	Why was dividend reduced to 0.25 cent per share?	<p>Despite a challenging year in FY 2023, the Company's absolute dollar dividend pay-out for FY 2023 constituted approximately 23% and 45%, respectively, of the "Profit Before Tax"; and "Profit After Tax. This is tabulated in Exhibit 2, attached.</p> <p>Our preference is to pay dividends based on the earnings generated in that relevant fiscal year. We adopt a prudent stance, where past reserves are meant for unexpected events, or opportunities.</p>
General	G1	The Group's " Interest income " of US\$0.832 million seems low, relative to the total " Cash and cash equivalent " of US\$47.573 million as at 31 Dec 2023. Please explain.	<p>The Group's "Interest income" of US\$0.832 million in FY 2023, was higher than the US\$0.196 million in FY 2022. The higher income in FY 2023 was largely attributable to higher interest rates, and higher amount in fixed deposits and FD equivalents ("FDs") in FY 2023.</p> <p>Of the total cash at bank of US\$47.573 million as at 31 December 2023:</p> <ul style="list-style-type: none"> (i) US\$27.053 million was deployed as working capital to fund our operations and support our "Turnover" of US\$216.027 million in FY 2023; and (ii) US\$20.520 million was placed in FDs, at various time during FY 2023 for different durations. The FDs were not necessarily available for the entire twelve (12) months in 2023, owing to working capital requirements. <p>Of the US\$20.520 million of FDs, approximately US\$18,573 million were FDs placed in Singapore, Malaysia, and USA. The total interest income generated from FDs aggregated US\$0.76 million. This generated an average interest rate of approximately 4.0%.</p>
	G2	What is the plan with the fixed deposits of US\$20.520 million as at 31 December 2023?	<p>We are continuously evaluating strategic acquisition opportunities, and acquiring additional customer base. This requires a war chest, additional working capital and plant and equipment. E.g. trucks, and warehouses at various locations to accommodate new customer requirements.</p> <p>We are always on the look-out for strategic acquisition that will enhance our business model for the longer term.</p>

Theme	No.	Questions	Responses
	G3	What are the reasons for the increase in “ Deposits ” and “ Prepayments ”?	<p>(i) Our “Deposits” increased to US\$3.330 million in FY 2023, compared to US\$2.682 million in FY 2022. The increase of US\$0.648 million was attributable to a cash pledge of US\$0.668 million required in the PRC, namely the “Civil Aviation Administration of China”.</p> <p>(ii) Our “Prepayments” increased to US\$0.650 million in FY 2023, compared to US\$0.499 million in FY 2022. The increase of US\$0.151 million was largely attributable to a prepayment of advance corporate tax of US\$0.131 million by a subsidiary in Australia.</p>
	G4	Does the Company foresee any share buy-back? If not, why is the company seeking shareholders’ approval for share buyback?	<p>The Company does not foresee any “share buy-back over the next 12 months, for the reasons elaborated at G2 above.</p> <p>However, the “Share-Buy Mandate” sought from shareholders at this AGM was intended as a precautionary measure, in the event that we needed to invoke this under an unexpected circumstance.</p>
	G5	<p>(i) Are there any major on-going new initiatives to reduce operational costs and improve productivity? Please name some examples, if any.</p> <p>(ii) Has A-Sonic been considering exploring more automation, artificial intelligence (“AI”), big data and other recent developments in technology to further improve productivity and reduce overheads?</p>	Please refer to Exhibit 3 , attached.

ECONOMIC CONDITION: PRC

| WEDNESDAY, APRIL 17, 2024 | THE STRAITS TIMES |

BUSINESS | A23

China's Q1 GDP growth solid but let down by March data

Continuing weak demand at home slowing economy's overall momentum

BEIJING - China's economy grew faster than expected in the first quarter, data on April 16 showed, last week, citing risks to public finances as Beijing channels more spending towards infrastructure



DIVIDEND PAY OUT : FY 2023

Dividend per share (Singapore cents)	0.25
No. of issued shares	106,693,721
Total dividend payout (S\$)	266,734
PBT (US\$)	880,000
PBT (S\$)	1,180,960
Payout percentage (%)	23%
PAT (US\$)	443,000
PAT (S\$)	594,506
Payout percentage (%)	45%
NPATMI (US\$)	983,000
NPATMI (S\$)	1,319,186
Payout percentage (%)	20%
Note:	
Annual average exchange rate (US\$/S\$)	1.3420

OUR IT ROAD MAP

OUR IT INITIATIVES ENCOMPASSES:

- (i) Infrastructure Upgrade;
- (ii) Data Managements and Analytics;
- (iii) Automation and Process Optimisation;
- (iv) Software Applications (e.g: TMS, FMS, WMS and CRM);
- (v) Cybersecurity Measures; and
- (vi) Sustainability Compliance.

EXAMPLES: ON-GOING OR INITIATIVES

To reduce operational costs and improve productivity, we have implemented several initiatives such as:

- (i) Robotic Process Automation (**“RPA”**);
- (ii) Deploy tool, e.g. **to automate repeated and routine tasks** to extract relevant information;
- (iii) Deploying **“Operational Dashboard”** for our traffic controllers, providing real time information to make optimal decisions for vehicle utilization to reduce costs and improve service levels; and
- (iv) To implement the **“Transit Warehouse Module”** by early October 2024. This will automate identification and capture data, to enhance productivity and accuracy for air shipments.