

A-SONIC AEROSPACE LIMITED

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

THIRD QUARTER FINANCIAL STATEMENTS

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

**CONSOLIDATED INCOME STATEMENT**

For the third quarter and nine months period ended 30 September 2019

	Group			Group		
	Third quarter ended		Change	9 months period ended		Change
	30 Sep 2019 US\$'000	30 Sep 2018 US\$'000		30 Sep 2019 US\$'000	30 Sep 2018 US\$'000	
Turnover	48,955	56,377	(13.2)	150,520	156,658	(3.9)
Other income	203	177	14.7	922	656	40.5
<b>Total revenue</b>	<b>49,158</b>	<b>56,554</b>	<b>(13.1)</b>	<b>151,442</b>	<b>157,314</b>	<b>(3.7)</b>
<b>Expenses</b>						
Changes in inventories	48	585	(91.8)	515	(1,415)	N/M
Purchases of goods and consumables used	(48)	(1,485)	(96.8)	(2,718)	(2,617)	3.9
Freight charges	(43,234)	(49,720)	(13.0)	(131,131)	(134,901)	(2.8)
Staff costs	(3,985)	(4,385)	(9.1)	(12,831)	(13,554)	(5.3)
Depreciation of property, plant and equipment	(539)	(184)	192.9	(1,449)	(560)	158.8
Finance costs	(66)	(86)	(23.3)	(207)	(222)	(6.8)
Other operating expenses	(708)	(1,971)	(64.1)	(2,511)	(5,060)	(50.4)
<b>Total costs and expenses</b>	<b>(48,532)</b>	<b>(57,246)</b>	<b>(15.2)</b>	<b>(150,332)</b>	<b>(158,329)</b>	<b>(5.1)</b>
Share of results of associated companies	162	316	(48.7)	242	824	(70.6)
Profit/(loss) before tax	788	(376)	N/M	1,352	(191)	N/M
Taxation	(27)	(52)	(48.1)	(43)	(84)	(48.8)
<b>Profit/(loss) for the period</b>	<b>761</b>	<b>(428)</b>	<b>N/M</b>	<b>1,309</b>	<b>(275)</b>	<b>N/M</b>
<b>Profit/(loss) attributable to:</b>						
Equity holders of the Company	702	3	23,300.0	1,510	695	117.3
Non- controlling interests	59	(431)	N/M	(201)	(970)	(79.3)
	<b>761</b>	<b>(428)</b>	<b>N/M</b>	<b>1,309</b>	<b>(275)</b>	<b>N/M</b>
<b>Other items :</b>						
Interest income	68	67	1.5	259	178	45.5
Sundry income	138	98	40.8	653	443	47.4
Impairment allowance for trade receivables written back	1	-	N/M	1	5	(80.0)
Impairment allowance for non- trade receivables written back	(5)	-	-	-	-	-
Impairment allowance for trade receivables	-	(195)	(100.0)	-	(195)	(100.0)
Impairment allowance for non- trade receivables	(7)	(2)	250.0	(7)	(13)	(46.2)
Foreign currency exchange gain/(loss)	37	(273)	N/M	215	(373)	N/M
Rental expenses	(78)	(337)	(76.9)	(258)	(1,029)	(74.9)
Gain/(loss) on disposal of property, plant and equipment	(2)	7	N/M	(2)	7	N/M

N/M: Not meaningful

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the third quarter and nine months period ended 30 September 2019

	Group			Group		
	Third quarter ended		Change	9 months period ended		Change
	30 Sep 2019	30 Sep 2018		30 Sep 2019	30 Sep 2018	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit/(loss) for the period</b>	<b>761</b>	<b>(428)</b>	<i>N/M</i>	<b>1,309</b>	<b>(275)</b>	<i>N/M</i>
<b>Other comprehensive income/(loss):</b>						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Currency translation differences arising on consolidation	<b>(83)</b>	<b>(136)</b>	<i>(39.0)</i>	<b>(118)</b>	<b>(37)</b>	<i>218.9</i>
<b>Total comprehensive income/(loss) for the period</b>	<b>678</b>	<b>(564)</b>	<i>N/M</i>	<b>1,191</b>	<b>(312)</b>	<i>N/M</i>
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	<b>584</b>	<b>(164)</b>	<i>N/M</i>	<b>1,376</b>	<b>487</b>	<i>182.5</i>
Non-controlling interests	<b>94</b>	<b>(400)</b>	<i>N/M</i>	<b>(185)</b>	<b>(799)</b>	<i>(76.8)</i>
<b>Total comprehensive income/(loss) for the period</b>	<b>678</b>	<b>(564)</b>	<i>N/M</i>	<b>1,191</b>	<b>(312)</b>	<i>N/M</i>

*N/M : Not meaningful*

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**Balance Sheets**  
**30 September 2019**

	Group		Company	
	30 Sep	31 Dec	30 Sep	31 Dec
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	5,772	5,849	-	-
Right-of-use assets	1,956	-	-	-
Investment in subsidiaries <sup>(1)</sup>	-	-	14,663	14,663
Investment in associated companies	1,733	1,527	-	-
Fair value through other comprehensive income	98	98	-	-
Deferred tax assets	265	277	-	-
	<b>9,824</b>	<b>7,751</b>	<b>14,663</b>	<b>14,663</b>
<b>Current assets</b>				
Inventories	2,052	1,537	-	-
Trade and other receivables	30,353	39,536	17	6
Contract assets	20	-	-	-
Due from subsidiaries	-	-	3,356	2,362
Due from associated companies	208	258	-	-
Tax recoverable	57	39	-	-
Cash and cash equivalents	23,393	24,473	10,782	11,278
	<b>56,083</b>	<b>65,843</b>	<b>14,155</b>	<b>13,646</b>
<b>Total assets</b>	<b>65,907</b>	<b>73,594</b>	<b>28,818</b>	<b>28,309</b>
<b>Non-current liabilities</b>				
Lease liabilities	1,119	578	-	-
	<b>1,119</b>	<b>578</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	30,885	43,420	603	278
Contract liabilities	2,100	-	-	-
Due to subsidiaries	-	-	6,390	6,194
Dividends payable	432	-	-	-
Bank borrowings	4,340	4,174	2,438	2,250
Provision for liabilities	265	265	-	-
Lease liabilities	1,647	659	-	-
Tax payable	122	185	9	48
	<b>39,791</b>	<b>48,703</b>	<b>9,440</b>	<b>8,770</b>
<b>Total liabilities</b>	<b>40,910</b>	<b>49,281</b>	<b>9,440</b>	<b>8,770</b>
<b>Net assets</b>	<b>24,997</b>	<b>24,313</b>	<b>19,378</b>	<b>19,539</b>
<b>Equity</b>				
Share capital	51,758	51,758	51,758	51,758
Accumulated losses	(15,487)	(16,519)	(32,380)	(32,219)
Foreign currency translation reserve	(7,697)	(7,563)	-	-
Equity attributable to equity holders of the Company	<b>28,574</b>	<b>27,676</b>	<b>19,378</b>	<b>19,539</b>
Non-controlling interests	(3,577)	(3,363)	-	-
<b>Total equity</b>	<b>24,997</b>	<b>24,313</b>	<b>19,378</b>	<b>19,539</b>

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

**Note:**

(1) As at 30 September 2019 and 31 December 2018, the investment in subsidiaries comprises the cost of investment of US\$10,000,001, and an amount due from a subsidiary of US\$4,663,000, which is quasi-equity in nature.

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

**Amount repayable in one year or less, or on demand**

<b>At 30 September 2019</b>		<b>At 31 December 2018</b>	
<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>
4,800	1,187	4,833	-

**Amount repayable after one year**

<b>At 30 September 2019</b>		<b>At 31 December 2018</b>	
<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>
265	854	578	-

**Details of any collateral**

The group's aggregate bank borrowings and lease liabilities which were repayable in one year or less, or on demand, amounted to US\$4.800 million as at 30 September 2019. Of the US\$4.800 million, secured bank borrowings amounted to US\$4.340 million, and the remaining US\$0.460 million are obligations from lease liabilities secured against motor vehicles deployed for the logistics business.

The bank borrowings of: (i) US\$1.902 million was secured by corporate guarantee and a floating charge over the logistics receivables; and (ii) US\$2.438 million was secured on a leasehold property of the Group.

The Group's secured borrowings repayable after one year of US\$0.265 million are leases obligations secured by pledges on the motor vehicles deployed for the logistics business.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the third quarter and nine months period ended 30 September 2019

	Group			
	Third quarter ended		Nine months period ended	
	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax	788	(376)	1,352	(191)
<b>Adjustments for:</b>				
Interest income	(68)	(67)	(259)	(178)
Depreciation of property, plant and equipment	539	184	1,449	560
Interest expenses	66	86	207	222
Impairment allowance for non-trade receivables	7	2	7	13
Loss/(gain) on disposal of property, plant and equipment	2	(7)	2	(7)
Impairment allowance for non-trade receivables written back	5	-	-	-
Share of results of associated companies	(162)	(316)	(242)	(824)
Operating cash flow before working capital changes	1,177	(494)	2,516	(405)
Inventories	(48)	(585)	(515)	1,415
Receivables	1,181	(2,124)	9,209	3,308
Payables	185	3,754	(10,435)	(3,670)
Effect of foreign exchange rate changes	(50)	184	(89)	326
Cash generated from operations	2,445	735	686	974
Income tax paid	(29)	(7)	(123)	(191)
<b>Net cash generated from operating activities</b>	<b>2,416</b>	<b>728</b>	<b>563</b>	<b>783</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	99	9	99	9
Investment in unquoted shares	-	(95)	-	(95)
Dividend received from an associated company	35	247	35	247
Interest received	68	67	259	178
Purchase of property, plant and equipment	(35)	(120)	(105)	(174)
<b>Net cash generated from investing activities</b>	<b>167</b>	<b>108</b>	<b>288</b>	<b>165</b>
<b>Cash flows from financing activities</b>				
Contribution from non-controlling interest for incorporation of subsidiary	-	-	-	67
Proceeds from bank borrowings	-	-	218	322
Repayment of bank borrowings	-	-	-	(350)
Repayment of lease liabilities	(1,008)	(148)	(1,818)	(452)
Interest paid	(66)	(86)	(207)	(222)
<b>Net cash used in financing activities</b>	<b>(1,074)</b>	<b>(234)</b>	<b>(1,807)</b>	<b>(635)</b>
<b>Net increase/(decrease) in cash and cash equivalents <sup>(1)</sup></b>	<b>1,509</b>	<b>602</b>	<b>(956)</b>	<b>313</b>
Cash and cash equivalents at beginning of period	21,826	22,884	24,268	23,315
Effect of foreign exchange rate changes	(147)	(311)	(124)	(453)
<b>Cash and cash equivalents at end of period</b>	<b>23,188</b>	<b>23,175</b>	<b>23,188</b>	<b>23,175</b>

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

Cash and cash equivalents:

- Bank and cash balances	22,438	22,687	22,438	22,687
- Fixed deposits	955	955	955	955
	23,393	23,642	23,393	23,642
Less: Fixed deposits restricted for use	(205)	(467)	(205)	(467)
Cash and cash equivalents per consolidated statement of cash flows	<b>23,188</b>	<b>23,175</b>	<b>23,188</b>	<b>23,175</b>

Note:

- (1) As at 30 September 2019, Cash and cash equivalents balances held by the Group amounting to US\$0.205 million are not available for use.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity, or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Consolidated Statement of Changes in Equity

For the third quarter and nine months period ended 30 September 2019

THE GROUP	Share capital US\$'000	Accumulated losses US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to equity holders of the Company US\$'000	Non - controlling interests US\$'000	Total equity US\$'000
At 1 January 2019	51,758	(16,519)	(7,563)	27,676	(3,363)	24,313
Effect of adopting SFRS(I) 16		(46)	-	(46)	(29)	(75)
Restated as at 1 January 2019	51,758	(16,565)	(7,563)	27,630	(3,392)	24,238
<b>Comprehensive income/(loss)</b>						
Profit for the period	-	431	-	431	(181)	250
<b>Other comprehensive income</b>						
Currency translation differences on consolidation	-	-	66	66	2	68
Other comprehensive income for the period	-	-	66	66	2	68
Total comprehensive income for the period	-	431	66	497	(179)	318
<b>At 31 March 2019</b>	<b>51,758</b>	<b>(16,134)</b>	<b>(7,497)</b>	<b>28,127</b>	<b>(3,571)</b>	<b>24,556</b>
<b>Comprehensive Income/(loss)</b>						
Profit/(loss) for the period	-	377	-	377	(79)	298
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-	-	(82)	(82)	(21)	(103)
Other comprehensive loss for the period	-	-	(82)	(82)	(21)	(103)
Total comprehensive income/(loss) for the period	-	377	(82)	295	(100)	195
<b>Transaction with owners recorded directly in equity</b>						
Dividends payable on ordinary shares	-	(432)	-	(432)	-	(432)
	-	(432)	-	(432)	-	(432)
<b>At 30 June 2019</b>	<b>51,758</b>	<b>(16,189)</b>	<b>(7,579)</b>	<b>27,990</b>	<b>(3,671)</b>	<b>24,319</b>
<b>Comprehensive Income/(loss)</b>						
Profit/(loss) for the period	-	702	-	702	59	761
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-	-	(118)	(118)	35	(83)
<b>Other comprehensive loss for the period</b>	-	-	(118)	(118)	35	(83)
Total comprehensive income/(loss) for the period	-	702	(118)	584	94	678
<b>At 30 September 2019</b>	<b>51,758</b>	<b>(15,487)</b>	<b>(7,697)</b>	<b>28,574</b>	<b>(3,577)</b>	<b>24,997</b>

## Consolidated Statement of Changes in Equity

For the third quarter and nine months period ended 30 September 2019 (cont'd)

THE GROUP	Share capital US\$'000	Accumulated losses US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to equity holders of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2018	51,758	(18,021)	(7,419)	26,318	(2,684)	23,634
<b>Comprehensive Income</b>						
Profit for the period	-	675	-	675	13	688
<b>Other comprehensive income</b>						
Currency translation differences on consolidation	-	-	249	249	76	325
Other comprehensive income for the period	-	-	249	249	76	325
Total comprehensive income for the period	-	675	249	924	89	1,013
<b>At 31 March 2018</b>	<b>51,758</b>	<b>(17,346)</b>	<b>(7,170)</b>	<b>27,242</b>	<b>(2,595)</b>	<b>24,647</b>
<b>Comprehensive income/(loss)</b>						
Profit/(loss) for the period	-	17	-	17	(552)	(535)
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-	-	(290)	(290)	64	(226)
Other comprehensive (loss)/income for the period	-	-	(290)	(290)	64	(226)
Total comprehensive income/(loss) for the period	-	17	(290)	(273)	(488)	(761)
<b>At 30 June 2018</b>	<b>51,758</b>	<b>(17,329)</b>	<b>(7,460)</b>	<b>26,969</b>	<b>(3,083)</b>	<b>23,886</b>
<b>Comprehensive income/(loss)</b>						
Profit/(loss) for the period	-	3	-	3	(431)	(428)
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-	-	(167)	(167)	31	(136)
Other comprehensive (loss)/income for the period	-	-	(167)	(167)	31	(136)
Total comprehensive income/(loss) for the period	-	3	(167)	(164)	(400)	(564)
<b>Changes in ownership interests in subsidiaries</b>						
Acquisition of interest in subsidiary without change in control	-	20	-	20	19	39
	-	20	-	20	19	39
<b>At 30 September 2018</b>	<b>51,758</b>	<b>(17,306)</b>	<b>(7,627)</b>	<b>26,825</b>	<b>(3,464)</b>	<b>23,361</b>

## Statement of Changes in Equity

For the third quarter and nine months period ended 30 September 2019

THE COMPANY	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2019	51,758	(32,219)	19,539
<b>Comprehensive income</b>			
Profit and total comprehensive income for the period	-	76	76
<b>At 31 March 2019</b>	<b>51,758</b>	<b>(32,143)</b>	<b>19,615</b>
<b>Comprehensive income</b>			
Profit and total comprehensive income for the period	-	78	78
<b>Transaction with owners recorded directly in equity</b>			
Dividends payable on ordinary shares	-	(432)	(432)
<b>At 30 June 2019</b>	<b>51,758</b>	<b>(32,497)</b>	<b>19,261</b>
<b>Comprehensive income</b>			
Profit and total comprehensive income for the period	-	117	117
<b>At 30 September 2019</b>	<b>51,758</b>	<b>(32,380)</b>	<b>19,378</b>

THE COMPANY	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2018	51,758	(32,986)	18,772
<b>Comprehensive income</b>			
Profit and total comprehensive profit for the period	-	13	13
<b>At 31 March 2018</b>	<b>51,758</b>	<b>(32,973)</b>	<b>18,785</b>
<b>Comprehensive income</b>			
Profit and total comprehensive income for the period	-	147	147
<b>At 30 June 2018</b>	<b>51,758</b>	<b>(32,826)</b>	<b>18,932</b>
<b>Comprehensive income</b>			
Profit and total comprehensive income for the period	-	76	76
<b>Transaction with owners recorded directly in equity</b>			
Write back of unclaimed dividend	-	1	1
<b>At 30 September 2018</b>	<b>51,758</b>	<b>(32,749)</b>	<b>19,009</b>



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

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

	Third quarter ended	
	30 Sep 2019	30 Sep 2018
Balance at beginning and end of period	<u>58,479,296</u>	<u>58,479,296</u>

- 1d(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares (excluding treasury shares) as at 30 September 2019 and 31 December 2018 were 58,479,296.

- 1d(iv) A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as there were no treasury shares issued by the Company.

- 1d(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as there were no sales, transfer, disposal, cancellation and/or use of subsidiary holdings as at 30 September 2019.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The financial statements have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statement for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2018.

**5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well the reasons for, and the effect of, the change.**

SFRS(I) 16 Leases requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopted the SFRS(I) 16 Leases retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of SFRS(I) 16 Leases, the Group has chosen, on a lease-by-lease basis, to measure the right-of use asset at its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate as of 1 January 2019.

In addition, the Group elected the practical expedient to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019.

On the adoption of SFRS(I) 16, the Group recognised right-of-use assets of US\$2.512 million and lease liabilities of US\$2.587 million for its leases previously classified as operating leases, with a corresponding increase in the opening accumulated losses US\$0.046 million and non-controlling interests of US\$0.029 million as of 1 January 2019. The Group has adopted the modified retrospective approach on the adoption of SFRS(I) 16.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group		Group	
	Third quarter ended 30 Sep 2019	30 Sep 2018	9 months period ended 30 Sep 2019	30 Sep 2018
Profit after tax attributable to equity holders of the Company (US\$'000)	<b>702</b>	3	<b>1,510</b>	695
Weighted average number of ordinary shares (in '000)	<b>58,479</b>	58,479	<b>58,479</b>	58,479
Earnings per share (US cents):				
Basic	<b>1.20</b>	0.01	<b>2.58</b>	1.19
Diluted	<b>1.20</b>	0.01	<b>2.58</b>	1.19

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

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

<b>Group</b>		<b>Company</b>	
<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>	<b>31 Dec</b>
<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>

Net asset value per share based on existing issued share capital at the end of period/year (US cents) <sup>(1) (2)</sup>	<b>48.86</b>	47.33	<b>33.14</b>	33.41
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**Notes:**

- (1) The above computation of net asset value per share excludes non-controlling interests. Including non-controlling interests, the net asset value per share for the Group as at 30 September 2019 and 31 December 2018 would have been 42.75 US cents and 41.58 US cents per share respectively.
- (2) Computed based on 58,479,296 ordinary shares in issue for 30 September 2019 and 31 December 2018.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-**

- (a) **any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.**

**FINANCIAL PERFORMANCE**

A-Sonic Aerospace Limited and its subsidiaries (the “**A-Sonic Group**” or the “**Group**”) are engaged in two areas of businesses, aviation and logistics. We operate in 29 cities in 16 countries, spanning four (4) continents in Asia, North America, Sub-Continent India and Europe. Our staff strength was approximately 700 personnel as at 30 September 2019.

Our aviation business relates to the sale, lease and purchase of aircraft and aircraft engines.

Our logistics business relates to supply chain management services and logistic solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and airport ground services.

## FINANCIAL HIGHLIGHTS

The Group continued the positive momentum for the last 21 months, since the 12 months financial year ended 31 December 2018 (“FY 2018”), and the 9 months ended 30 September 2019 (“9M 2019”) as shown in the table below:

		Nine (9) months ended 30 September 2019 (9M 2019)	Twelve (12) months ended 31 December 2018 (FY 2018)
(i)	Profit Before Tax (US\$'000)	1,352	812
(ii)	Net Profit Attributable to Equity Shareholders (US\$'000)	1,510	1,481
(iii)	Earnings Per Share (“EPS”) (Equivalent S\$ cents)	3.5 <sup>(2)</sup>	3.5
(iv)	Net Tangible Assets (Attributable to Equity Holders of the Company) (“NTA”) (US\$'000) (Equivalent S\$'000)	28,574	27,676
(v)	NTA/share (S\$ cents)	67.5	64.6
(vi)	Price Earnings Ratio (Historical) <sup>(1)</sup>	6.1 <sup>(2)</sup>	6.1
(vii)	Share Price at Discount to NTAB <sup>(1)</sup>	214% (or 2.14 times below NTAB)	200% (or 2.00 times below NTAB)

### Notes:

(1) Share price was based on the closing market price of S\$0.215 on 11 November 2019, the date immediately preceding this announcement.

(2) Based on earnings for nine (9) months ended 30 September 2019.

(3) Based on foreign currency exchange rate on 30 September 2019 (US\$1=S\$1.3820).

(4) Based on foreign currency exchange rate on 30 September 2018 (US\$1=S\$1.3643).

Two of the three operating business units achieved profits for 9M 2019, continued from FY 2018:

- (i) Our aviation business unit registered “Profit Attributable to Equity Holders of the Company” of US\$0.067 million for 9M 2019; and
- (ii) “A-Sonic Logistics” business unit recorded “Profit Attributable to Equity Holders of the Company” of US\$1.605 million for 9M 2019.

However, the above profits in 9M 2019 were partially eroded by the US\$0.162 million losses of “UBI Logistics” business unit.

## INCOME STATEMENT

### Revenue

#### 9M 2019 vs 9M 2018

Our “Total revenue” comprises “Turnover” and “Other income”. Our Group’s “Total revenue” declined US\$5.872 million (3.7%) to US\$151.442 million for 9M 2019, compared to US\$157.314 million in the corresponding nine (9) months ended 2018 (“9M 2018”).

Our Group “Turnover” in 9M 2019 decreased US\$6.138 million (3.9%) to US\$150.520 million, compared to US\$156.658 million in 9M 2018. The Group’s Turnover decreased due to lower (US\$3.268 million) logistics “Turnover” from US\$151.003 million in 9M 2018 to US\$147.735 million in 9M 2019. Logistics “Turnover” decreased primarily due to lower business volume and air freight rates in Australia. Aviation “Turnover” also declined US\$2.870 million from US\$5.655 million in 9M 2018 to US\$2.785 million in 9M 2019, due to lower business volume.

Our aviation business contributed 1.9% (US\$2.785 million) of our Group “Turnover” in 9M 2019, and our logistics business unit contributed 98.1% (US\$147.735 million).

“Other income” increased US\$0.266 million (40.5%) to US\$0.922 million in 9M 2019, compared to US\$0.656 million in 9M 2018. The increase in “Other income” in 9M 2019 was mainly due to an increase of US\$0.210 million in “Sundry income”.

### 3<sup>rd</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2018

Our “Total revenue” decreased US\$7.396 million (13.1%) to US\$49.158 million in the third quarter ended 30 September 2019 (“**3Q 2019**”), compared to US\$56.554 million in the corresponding period in 2018 (“**3Q 2018**”). Lower “Total revenue” in 3Q 2019 was largely attributable to a decrease of US\$6.162 million in the logistics “Turnover”, as a result of lower business volume and freight rates due to weaker global economic condition.

“Other income” increased US\$0.026 million (14.7%) to US\$0.203 million in 3Q 2019, compared to US\$0.177 million in 3Q 2018. An increase in “Other income” was mainly due to higher (US\$0.040 million) “Sundry income”.

### 3<sup>rd</sup> Qtr 2019 vs 2<sup>nd</sup> Qtr 2019

“Total revenue” increased US\$1.133 million to US\$49.158 million in 3Q 2019, compared to US\$48.025 million in the second quarter ended 30 June 2019 (“**2Q 2019**”), largely due to higher “Turnover” generated from the logistics business units.

“Turnover” increased US\$1.140 million to US\$48.955 million in 3Q 2019, compared to US\$47.815 million in 2Q 2019. Higher “Turnover” was mainly due to an increase of US\$3.527 million in the logistics “Turnover”, which was, however, offset by the decline in aviation “Turnover”.

“Other income” decreased US\$0.007 million to US\$0.203 million in 3Q 2019 compared to US\$0.210 million in 2Q 2019, mainly due to lower “Interest income”.

### Total Costs and Expenses

#### 9M 2019 vs 9M 2018

Our “Total costs and expenses” declined 5.1% (US\$7.997 million) to US\$150.332 million in 9M 2019, compared to US\$158.329 million in 9M 2018, mainly due to:

- (i) a decrease of US\$3.770 million in “Freight charges” to US\$131.131 million in 9M 2019, compared to US\$134.901 million in 9M 2018. The decline of US\$3.770 million in “Freight charges” was in line with the lower logistics “Turnover” of US\$3.268 million in 9M 2019 compared to 9M 2018;
- (ii) “Change in inventories” in 9M 2019 of US\$0.515 million was mainly due to purchase of aircraft engine not yet sold. Whilst “Changes in inventories” of US\$1.415 million in 9M 2018 was due to aircraft sold in the same period.
- (iii) lower in “Staff costs” of US\$0.723 million in 9M 2019 was resulting from a reduction of headcount in USA and North Asia; and
- (iv) lower (US\$2.549 million) “Other operating expenses” to US\$2.511 million compared to US\$5.060 million in 9M 2018. The reduction was mainly due to: (a) lower rental expenses (US\$0.771 million) resulting from the application of SFRS(I) 16 Leases; (b) foreign exchange gain of US\$0.215 million, compared to a loss of US\$0.373 million in 9M 2018; (c) absence of one off “Impairment of allowance for trade receivables” of US\$0.195 million; and (d) a reduction of office expenses including travelling and entertainment expenses in North Asia.

The above costs reductions in 9M 2019 compared to 9M 2018, were partially offset by an increase of US\$0.889 million in “Depreciation of property, plant and equipment” to US\$1.449 million in 9M 2019, as a result of the application of SFRS(I) 16 Leases.

### 3<sup>rd</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2018

“Total costs and expenses” declined US\$8.714 million to US\$48.532 million in 3Q 2019, compared to US\$57.246 million in 3Q 2018. The decline was largely due to lower (US\$6.486 million) “Freight charges” of US\$43.234 million in 3Q 2019, compared to US\$49.720 million in 3Q 2018. The reduction in “Freight charges” was in line with the lower logistics “Turnover” of US\$6.162 million in 3Q 2019, compared to 3Q 2018, for the same reasons as elaborated at page 13, in the first paragraph of the section titled “Revenue” for “3<sup>rd</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2018”.

### 3<sup>rd</sup> Qtr 2019 vs 2<sup>nd</sup> Qtr 2019

We recorded “Total costs and expenses” of US\$48.532 million in 3Q 2019, an increase of US\$0.721 million (1.5%) from US\$47.811 million in 2Q 2019. Higher (US\$3.036 million) “Freight charges” to US\$43.234 million in 3Q 2019, compared to US\$40.198 million in 2Q 2019, was in line with the increase in logistics “Turnover” of US\$3.527 million in 3Q 2019. The reason is as elaborated at page 13, in the second paragraph of the section entitled “Revenue” for “3<sup>rd</sup> Qtr 2019 vs 2<sup>nd</sup> Qtr 2019”.

## **Gross Profit**

### **9M 2019 vs 9M 2018**

Our “Gross profit” was computed based on “Turnover” less “Changes in inventories”, “Purchases of goods and consumables used” and “Freight charges”. “Gross profit” decreased US\$0.539 million (3.0%) to US\$17.186 million in 9M 2019, compared to US\$17.725 million in 9M 2018. The reduction of “Gross Profit” in 9M 2019 compared to 9M 2018 was due to a decrease of US\$1.016 million in aviation “Gross Profit”.

### **3<sup>rd</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2018**

“Gross profit” decreased 0.6% (US\$0.036 million) to US\$5.721 million in 3Q 2019, compared to US\$5.757 million in 3Q 2018. The decline in “Gross profit” was due to the reduction in the aviation “Gross profit”.

### **3<sup>rd</sup> Qtr 2019 vs 2<sup>nd</sup> Qtr 2019**

We recorded a “Gross profit” of US\$5.721 million in 3Q 2019, an increase of US\$0.026 million (0.5%) compared to US\$5.695 million in 2Q 2019. The increase in “Gross profit” in 3Q 2019, compared to 2Q 2019 was largely due to higher (US\$3.527 million) logistics “Turnover” in 3Q 2019 compared to 2Q 2019, as elaborated at page 13, in the second paragraph of the section entitled “**Revenue**” for “**3<sup>rd</sup> Qtr 2019 vs 2<sup>nd</sup> Qtr 2019**”.

## **Net Profit/(Loss) attributable to equity holders of the Company**

### **9M 2019 vs 9M 2018**

Our Group recorded “Profit attributable to equity holders of the Company” of US\$1.510 million in 9M 2019, compared to US\$0.695 million in 9M 2018.

Two of our business units recorded “Profit attributable to equity holders of the Company” namely:

- (i) our aviation business (US\$0.067 million); and
- (ii) our “A-Sonic Logistics” branding (US\$1.605 million).

The above profits were however pared by “Loss attributable to equity holders of the Company” of US\$0.162 million incurred by “UBI Logistics”.

Had it not been for the “Loss before income tax” of US\$0.398 million of “UBI Logistics” business unit, our Group would have recorded a higher “Profit before income tax” of US\$1.750 million, instead of US\$1.352 million.

### **3<sup>rd</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2018**

In 3Q 2019, our Group registered “Profit attributable to equity holders of the Company” of US\$0.702 million, compared to “Profit attributable to equity holders of the Company” of US\$0.003 million in 3Q 2018. The improvement in 3Q 2019 was due to:

- (i) Higher “Profit attributable to equity holders of the Company” for “A-Sonic Logistics” business of US\$0.748 million in 3Q 2019 compared to US\$0.346 million in 3Q 2018; and
- (ii) “UBI Logistics” business unit registering “Profit attributable to equity holders of the Company” of US\$0.077 million in 3Q 2019, instead of “Loss attributable to equity holders of the Company” of US\$0.434 million in 3Q 2018.

However, the above were pared by “Loss attributable to equity holders of the Company” of US\$0.123 million incurred by the “Aviation” business division.

### **3<sup>rd</sup> Qtr 2019 vs 2<sup>nd</sup> Qtr 2019**

We achieved “Profit attributable to equity holders of the Company” of US\$0.702 million in 3Q 2019, compared to “Profit attributable to equity holders of the Company” of US\$0.377 million in 2Q 2019. The higher (US\$0.325 million) “Profit attributable to equity holders of the Company” in 3Q 2019 was largely due to US\$0.566 million higher logistics profit in 3Q 2019. The profit was however pared by US\$0.123 million loss incurred by the “Aviation” business unit.

## BALANCE SHEET

### Non-current assets

The Group's "Non-current assets" increased 26.7% (US\$2.073 million) to US\$9.824 million as at 30 September 2019, compared to US\$7.751 million as at 31 December 2018 ("FY 2018"). The increase was largely due to "Right-of-use assets" of US\$1.956 million, as a result of the introduction of the new accounting standard, SFRS(I) 16 Leases, which took effect on 1 January 2019.

### Current assets

"Current assets" declined US\$9.760 million to US\$56.083 million as at 30 September 2019, compared to US\$65.843 million as at the end of FY 2018. "Current assets" declined largely owing to:

- (i) a decrease of US\$9.183 million in "Trade and other receivables" to US\$30.353 million as at 30 September 2019, compared to US\$39.536 million as at the end of FY 2018. The reduction in "Trade and other receivables" as at 30 September 2019, was largely due to lower "Turnover" in 3Q 2019, compared to 4Q 2018; and
- (ii) a decrease of US\$1.080 million in "Cash and cash equivalents" to US\$23.393 million as at 30 September 2019, compared to US\$24.473 million as at end FY 2018. The "Cash and cash equivalents" was partially deployed to reduce "Trade and other payables" in 9M 2019.

### Non-current liabilities

"Non-current liabilities" increased US\$0.541 million to US\$1.119 million as at 30 September 2019 as a result of the introduction of the new accounting standard, SFRS(I) 16 Leases, which took effect on 1 January 2019.

### Current liabilities

"Current liabilities" declined US\$8.912 million to US\$39.791 million as at 30 September 2019, compared to US\$48.703 million as at the end of FY 2018, largely due to a reduction of US\$12.535 million in "Trade and other payables" to US\$30.885 million as at 30 September 2019. The reduction in "Trade and other payables" was in line with lower "Turnover" in 3Q 2019, compared to 4Q 2018.

The above reduction of US\$12.535 million in "Trade and other payables" was however partially offset by:

- (i) the increase of "Contract liabilities" of US\$2.100 million was related to advance consideration received from customer; and
- (ii) the increase of US\$1.187 million in "Lease liabilities" as a result of the application of new accounting standard, SFRS(I) 16 Leases, which took effect on 1 January 2019.

### Net asset and Equity

Excluding "Non-controlling interests", our "Equity attributable to equity holders of the Company" stood at US\$28.574 million as at end of 30 September 2019, compared to US\$27.676 million as at end of FY 2018. The increase of US\$0.898 million in "Equity attributable to equity holders of the Company" was largely due to the Group's "Profit attributable to equity holders of the Company" of US\$1.510 million in 9M 2019. This increase was, however, partially offset by "Dividends payable" declared for the financial year ended 31 December 2018 which amounted to US\$0.432 million.

The Group's gearing based on total "Bank borrowings" and "Lease liabilities", to "Equity attributable to equity holders of the Company" increased to 24.9% as at 30 September 2019, compared to 19.6% as at the end of FY 2018. This increase in gearing ratio was mainly due to the application of new accounting standard, SFRS(I) 16 Leases, which lease liability had been recognised. This new SFRS took effect on 1 January 2019. Had it not been for the new accounting standard, the group's gearing ratio would have been 17.7%.

## CASH FLOW

### 9M 2019 vs 9M 2018

“Net cash generated from operating activities” was US\$0.563 million in 9M 2019, compared to “Net cash generated from operating activities” of US\$0.783 million in 9M 2018 largely due to:

- (i) The “Operating cash flow before working capital changes” generated cash amounted to US\$2.516 million in 9M 2019, compared to cash used in “Operating cash flow before working capital changes” of US\$0.405 million in 9M 2018;
- (ii) Cash used in “Payables” in 9M 2019 was US\$10.435 million, while cash used in “Payables” in 9M 2018 was US\$3.670 million;
- (iii) Cash used in “Inventories” in 9M 2019 was US\$0.515 million while cash generated from “Inventories” in 9M 2018 was US\$1.415 million;
- (iv) Cash generated from “Receivables” in 9M 2019 was US\$9.209 million compared to US\$3.308 million generated from “Receivables” in 9M 2018; and
- (v) “Income tax paid” in 9M 2019 was US\$0.123 million while US\$0.191 million was paid in 9M 2018.

“Net cash generated from investing activities” amounted to US\$0.288 million in 9M 2019, compared to “Net cash generated from investing activities” of US\$0.165 million in 9M 2018. The “Net cash generated from investing activities” in 9M 2019 was mainly due to US\$0.259 million of “Interest received” and US\$0.99 million of “Proceeds from disposal of property, plant and equipment”, partially offset by US\$0.105 million used for “Purchase of property, plant and equipment” in 9M 2019. Whilst in 9M 2018, the “Net cash generated from investing activities” mainly comprised of US\$0.247 million of “Dividend received from an associated company” and US\$0.178 million of “Interest received”. However, these cash flows were partially offset by “Purchase of property, plant equipment” and “Investment in unquoted shares” of US\$0.174 million and US\$0.095 million respectively in 9M 2018.

“Net cash used in financing activities” amounted to US\$1.807 million in 9M 2019, compared to “Net cash used in financing activities” of US\$0.635 million in 9M 2018. The “Net cash used in financing activities” was largely attributed to “Repayment of lease liabilities” and “Interest paid” of US\$1.818 million and US\$0.207 million respectively in 9M 2019. However, “Net cash used in financing activities” was partially offset by the “Proceeds from bank borrowings” amounted to US\$0.218 million in 9M 2019. Whilst in 9M 2018, the “Net cash used in financing activities” was largely attributed to “Repayment of bank borrowings”, “Repayment of lease liabilities” and “Interest paid” of US\$0.350 million, US\$0.452 million and US\$0.222 million respectively. However, the “Net cash used in financing activities” was partially offset by the “Proceeds from bank borrowings” and “Contribution from non-controlling interest for incorporation of subsidiary” amounted to US\$0.322 million and US\$0.067 million respectively in 9M 2018.

### 3<sup>rd</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2018

The “Net cash generated from operating activities” in 3Q 2019 of US\$2.416 million was largely due to cash generated from “Receivables” of US\$1.181 million and “Payables” of US\$0.185 million, and was partially offset by cash used for “Inventories” of US\$0.048 million. Whilst in 3Q 2018, “Net cash generated from operating activities” of US\$0.728 million comprised of cash generated from “Payables” of US\$3.754 million and was partially offset by “Receivables”, and “Inventories” of US\$2.124 million and US\$0.585 million respectively.

“Net cash generated from investing activities” was US\$0.167 million due to “Proceeds from disposal of property, plant and equipment”, “Interest received” and “Dividend received from an associated company” of US\$0.099 million, US\$0.068 million and US\$0.035 million respectively. However, “Net cash generated from investing activities” was partially offset by “Purchase of property, plant and equipment” of US\$0.035 million in 3Q 2019. “Net cash generating from investing activities” in 3Q 2018 was US\$0.108 million, mainly due to “Dividend received from an associated company” and “Interest received” of US\$0.247 million and US\$0.067 million. However, the “Net cash generating from investing activities” was partially offset by “Purchase of property, plant and equipment” and “Investment in unquoted shares” of US\$0.120 million and US\$0.095 million respectively.

“Net cash used in financing activities” in 3Q 2019 was US\$1.074 million, compared to “Net cash used in financing activities” of US\$0.234 million in 3Q 2018. The “Net cash used in financing activities” was largely attributed to “Repayment of lease liabilities” of US\$1.008 million and “Interest paid” of US\$0.066 million in 3Q 2019. In 3Q 2018, “Net cash used in financing activities” was largely attributed to “Repayment of lease liabilities” of US\$0.148 million and “Interest paid” of US\$0.086 million.



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

No forecast or prospect statement had been disclosed to the shareholders in the first nine (9) months of year 2019.

10. **A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may effect the group in the next reporting period and the next 12 months.**

Barring unforeseen circumstances, we remain cautiously optimistic on the business outlook for our logistics and aviation business for the remaining months of 2019.

11. **Dividend**

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

No dividend has been declared or recommended for the third quarter and nine months period ended 30 September 2019.

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

None.

- ii) **Previous corresponding period (in cents)**

None.

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

Not applicable.

- (d) **The date the dividend is payable.**

Not applicable.

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

Not applicable.

12. **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the third quarter ended 30 September 2019. The Board will review in subsequent quarter.

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

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

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

See enclosed on last page.

**15. Confirmation by Board pursuant to rule 720(1) of the Listing Manual**

The Board had received undertakings from all its directors in the format as set out in Appendix 7.7 in pursuant to Rule 720(1) of the listing manual of the Singapore Exchange Securities Trading Limited.

**BY ORDER OF THE BOARD**

Loo Keat Choon  
Joint Company Secretary

12 November 2019

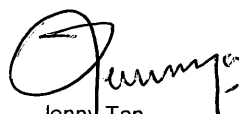
**Directors' Negative Assurance on Interim Financial Results under Rule 705(5)**

To the best of our knowledge, nothing has come to our attention which may render the unaudited interim financial results of the Group and the Company for the third quarter period ended 30 September 2019 and nine months period ended 30 September 2019 to be false or misleading in any material respect.

On behalf of the Board of Directors



Janet Tan  
Chief Executive Officer



Jenny Tan  
Executive Director