

**THE PROPOSED CONSOLIDATION OF EVERY FOUR (4) SHARES
INTO ONE (1) CONSOLIDATED SHARE**

1. THE PROPOSED CONSOLIDATION OF EVERY FOUR (4) SHARES ONE (1) CONSOLIDATED SHARE

1.1. INTRODUCTION

The board of Directors (the “**Board**”) of A-Sonic Aerospace Limited (the “**Company**”) wishes to announce that the Company proposes to undertake a share consolidation (the “**Proposed Share Consolidation**”) of every four (4) ordinary shares in the issued share capital of the Company (the “**Shares**”) registered in the name of each shareholder of the Company (“**Shareholder**”) as at a books closure date to be determined by the Directors (the “**Books Closure Date for the Proposed Share Consolidation**”) into one (1) consolidated share (the “**Consolidated Share**”).

1.2. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The Proposed Share Consolidation would also facilitate compliance with the continuing listing requirement imposed by SGX-ST for issuers listed on the SGX Mainboard to have a minimum trading price per share of S\$0.20.

For the past six (6) months between August 2014 to January 2015 (“**Relevant Period**”) prior to the Company making this announcement on the Proposed Share Consolidation, the absolute price of the Shares had traded between 5.90 and 8.80 Singapore cents. The highest and lowest market prices, and the transacted volume of the Shares traded on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) during the Relevant Period were as follows:

	Lowest (Singapore cents)	Highest (Singapore cents)	Volume of traded shares ('000)	Percentage fluctuation between the lowest and highest market price (%)
August 2014	0.079	0.088	12,724	11.39
September 2014	0.075	0.084	5,070	12.00
October 2014	0.071	0.080	1,015	12.68
November 2014	0.065	0.079	2,105	21.54
December 2014	0.059	0.083	3,413	40.68
January 2015	0.069	0.088	22,761	27.54

Source: SGX-ST

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding, and the trading price per Consolidated Share should theoretically be proportionally higher than the trading price per Share prior to the Proposed Share Consolidation.

Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this paragraph 1.2, nor is there assurance that such results (if achieved) can be sustained in the longer term.

1.3 DETAILS

Under the Proposed Share Consolidation, every [four] [(4)] Shares registered in the name of each Shareholder as at the Books Closure Date for Proposed Share Consolidation will be consolidated into one (1) Consolidated Share.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date for Proposed Share Consolidation, will be ROUNDED DOWN TO THE NEAREST WHOLE CONSOLIDATED SHARES AND ANY FRACTIONS OF CONSOLIDATED SHARES ARISING FROM THE PROPOSED SHARE CONSOLIDATION WILL BE DISREGARDED. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.

As at the date of this Announcement, the Company has an issued share capital of S\$72,474,658 divided into 715,903,629 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of S\$72,474,658 divided into approximately 178,975,907 Consolidated Shares.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Company and its subsidiaries.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the extraordinary general meeting ("**EGM**"), Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date for Proposed Share Consolidation.

The Proposed Share Consolidation is not expected to cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to fractional rounding.

1.4. APPROVALS

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the SGX-ST's approval for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST; and
- (b) the Shareholders' approval for the Proposed Share Consolidation being obtained at an EGM of the Company to be convened.

An application will be made to the SGX-ST for permission for dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

2. DISCONTINUATION OF THE PROPOSED BONUS ISSUE

Further to our announcement dated 17 November 2014, the Board has decided not to pursue with the proposed bonus issue owing to Rule 838 of the SGX-ST Listing Manual. Rule 838 provides that:

“An issuer must satisfy the Exchange that its daily weighted average price, adjusted for the capitalization issue or subdivision of shares (“adjusted price”), will not be less than S\$0.50. When deciding, the Exchange may take into account an issuer’s adjusted price for the month preceding the application date.”

3. CIRCULAR

Subject to approval from, SGX-ST, a circular setting out, amongst other things, details of the Proposed Share Consolidation and enclosing a notice convening an EGM to seek Shareholders’ approval of the Proposed Share Consolidation, will be despatched to Shareholders in due course.

4. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

ISSUED BY ORDER OF THE BOARD

Quek Ying Chui
Joint Company Secretary

5 February 2015