



A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

ILLIQUIDITY IN SHARE TRADING

A-Sonic Aerospace Limited (the "**Company**") and its subsidiaries (the "**Group**") wishes to announce that:

- (i) the Group has been profitable for the last 21 months, since the 12 months for the financial year ended 31 December 2018 ("**FY 2018**"), and the nine (9) months ended 30 September 2019;
- (ii) the Company's volume weighted price was S\$0.2148 per share over the last six (6) months since the date of this announcement, which is above the Singapore Stock Exchange SGX watch list requirement of S\$0.20 per share; and
- (iii) the Group's net worth measured by "Equity Attributable to Equity holders of the Company" ("**NTA**" or "**Net Book Value**") was equivalent to S\$39.5 million (or US\$28.6 million) as at 30 September 2019.

Despite being profitable, with volume weighted average price of S\$0.2148 per share for the last six (6) months since the date of this announcement, and Net Book Value of S\$39.5 million as at 30 September 2019, we are still in the SGX watch list. This is solely because we have not achieved an average daily market capitalization of S\$40 million.

The Board of Directors endeavours to manage, restructure, and navigate our business activities, notwithstanding the uncertain global economic condition. In contrast, the Company's market capitalization is highly correlated to the liquidity of our trading share price. The Company's share price as at the date immediately preceding this announcement was trading at discount of 214%, or 2.14 times below our Net Book Value as at 30 September 2019.

Update on Financial Results

		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 ⁽²⁾	3.5
(iv) Net Tangible Assets (Attributable to equity Holder of the Company) ("NTA") (US\$'000)	:	28,574	27,676
(Equivalent S\$'000)	:	39,489 ⁽³⁾	37,758 ⁽⁴⁾
(v) NTA/share (S\$ cents)	:	67.5	64.6
(vi) Price Earnings Ratio Historical ⁽¹⁾	:	6.1 ⁽²⁾	6.1
(vii) Share Price at Discount to NTAB ⁽¹⁾	:	214% (or 2.14 times below NTAB)	200% (or 2.00 times below NTAB)

Note:

(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 the nine (9) months ended 30 September 2019, continuing from the profits recorded in FY 2018:

- (i) Our aviation business unit registered "Profit Attributable to Equity Holders of the Company" of US\$0.067 million for the nine (9) months ended 30 September 2019; and
- (ii) "A-Sonic Logistics" business unit recorded "Profit Attributable to Equity Holders of the Company" of US\$1.605 million for the nine (9) months ended 30 September 2019.

However, the above earnings for the 9 months ended 30 September 2019, were partially eroded by the US\$0.162 million losses of "UBI Logistics" business unit.

A summary of the performance of each business unit is tabulated below:

Business Unit Performance	“Profit Attributable to Equity Holders of the Company” for 9 months ended 30 September 2019 (“9M 2019”)	“Profit Attributable to Equity Holders of the Company” for 12 months ended 31 December 2018 (“FY 2018”)
(i) Aviation business unit	US\$0.067million	US\$1.268 million
(ii) “A-Sonic Logistics” business unit	US\$1.605 million	US\$1.082 million
(iii) “UBI Logistics” business unit	(US\$0.162 million)	(US\$0.869 million)
Consolidated A-Sonic Group	<u>US\$1.510 million</u>	<u>US\$1.481million</u>

The Company was placed on the watch-list on 5 June 2017 as the Company recorded:

- (i) pre-tax losses for financial year (“FY”) 2015, FY 2016 and FY 2017 (based on audited full year consolidated accounts) and an average daily market capitalization of less than S\$40 million over the last 6 months (“**Financial Entry Criteria**”); and
- (ii) a volume weighted average price of less than S\$0.20 and an average daily market capitalization of less than S\$40 million over the last 6 months (“**MTP Entry Criteria**”).

Action Taken

We will continue to: (i) restructure our business and operations, especially an entity which is incurring losses; and (ii) attempt to increase productivity. We will endeavour to strive for our economic sustainability and financial strength in the interest of our shareholders.

However, increasing our market capitalization is correlated to the liquidity of the trading share price which does not reflect our Group’s Net Book Value of S\$39.5 million as at 30 September 2019.

Further Material Development

The Company will make immediate announcement in the event there is any material development.

About Us

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.

ISSUED BY ORDER OF THE BOARD

Loo Keat Choon
Joint Company Secretary

12 November 2019