A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

PROPOSED BONUS ISSUE OF UP TO 17,782,525 NEW ORDINARY SHARES ON THE BASIS OF ONE (1) NEW BONUS SHARE FOR EVERY FIVE (5) EXISTING ISSUED SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS

1. INTRODUCTION

The board of directors (the "Directors") of A-Sonic Aerospace Limited (the "**Company**") is pleased to announce that the Company is proposing a bonus issue (the "**Proposed Bonus Issue**") of up to 17,782,525 new ordinary shares in the capital of the Company (the "**Bonus Shares**"), on the basis of one (1) new Bonus Share to be credited as fully paid for every five (5) existing issued shares in the capital of the Company (the "**Shares**") held by shareholders of the Company (the "**Shareholders**"), fractional entitlements to be disregarded, as at the record date ("**Record Date**") to be determined by the Directors for the purpose of determining the entitlement of shareholders.

2. TERMS OF THE PROPOSED BONUS ISSUE

2.1. Bonus Shares

Based on the issued and paid up share capital of the Company comprising 88,912,626 Shares as at the date of this announcement, up to 17,782,525 new Bonus Shares will be issued pursuant to the Proposed Bonus Issue. The actual number of new Bonus Shares to be issued by the Company will depend on the total issued share capital of the Company as at the Record Date.

The new Bonus Shares will be issued to shareholders of the Company whose names appear in the Register of Members or who have shares entered against their names in the Depository Register as at the Record Date. Notice of the Record Date of the Register of Members and the Share Transfer Books of the Company will be given at a later date, after necessary approval has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The new Bonus Shares will be allotted and issued as fully paid at nil consideration to entitled shareholders of the Company without capitalisation of the Company's reserves. The new Bonus Shares, when allotted and issued, will rank pari passu in all respects with the existing issued shares in the capital of the Company and with each other, except that the new Bonus Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls on a date before the date on which the new Bonus Shares are allotted and issued.

The new Bonus Shares represent approximately 20% of the existing issued and paid-up share capital of the Company as at the date of this announcement and approximately 17% of the enlarged share capital of the Company following the completion of the Proposed Bonus Issue.

2.2. General Mandate

The new Bonus Shares will be issued pursuant to the share issue mandate ("**General Mandate**") obtained from Shareholders at the annual general meeting of the Company held on 28 April 2022 ("**2022 AGM**"). The General Mandate authorises the Directors to, inter alia, allot and issue new Shares, provided that such number of new Shares to be issued does not exceed 50% of the total number of issued Shares in the capital of the Company as at the date of the 2022 AGM.

Pursuant to the above General Mandate obtained from Shareholders at the 2022 AGM, the Company may allot and issue up to 35,565,771 new shares to existing shareholders on a pari passu basis.

On 25 August 2022, the Company had issued 17,781,083 new Shares to shareholders on a pari passu basis, pursuant to an earlier one (1) new Bonus Share issued for every four (4) existing issued shares.

Accordingly, the Company may still issue up to 17,784,688 new Shares on a pari passu basis to shareholders, within the purview of the 2022 AGM shareholders' mandate.

This current proposed bonus issue of one (1) new Bonus Shares for every five (5) existing issued shares, would result in the issuance of up to 17,782,525 new Bonus Shares. Accordingly, this is still within the purview of the mandate obtained from shareholder at the 2022 AGM.

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2.3. Approvals

The Proposed Bonus Issue is subject to, inter alia, approval in-principle of the SGX-ST for the listing and quotation of the new Bonus Shares on the Official List of the SGX-ST. The Company has made an application to the SGX-ST for the dealing in, listing of and quotation for the new Bonus Shares on the Official List of the SGX-ST. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

2.4. Record Date

The new Bonus Shares will be issued to the Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited, as the case may be, as at the Record Date to be determined by the Directors for the purpose of determining the entitlements of the Shareholders. Notice of the Record Date will be given at a later date, after the necessary approvals in respect of the Proposed Bonus Issue (including, without limitation, approval from the SGX-ST) have been obtained.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue is intended to further increase the issued share capital base of the Company, to reward and give due recognition to shareholders for their loyalty, and continuing support for the Company. The Proposed Bonus Issue, is expected to further increase the accessibility of investing in the Company to a wider base of investors, thereby potentially encouraging trading liquidity and greater participation by investors, as well as to broaden the shareholder base of the Company.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Bonus Issue other than through their respective shareholdings in the Company.

5. 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 Bonus Issue, 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 the 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 the announcement in its proper form and context.

6. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Bonus Issue is subject to, inter alia, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

ISSUED BY ORDER OF THE BOARD

Hue Su Li
Joint Company Secretary

26 February 2023