

**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**

In accordance with Rule 1313(2) of the SGX Listing Manual, the Board of Directors of A-Sonic Aerospace Limited (the “**Company**”) wishes to provide an update of the results for the financial year ended 31 December 2018 (“**FY 2018**”) and the financial year ended 31 December 2017 (“**FY 2017**”).

**Update on Financial Results**

We finished financial year 2018 with a positive note. This means that we have turned around from the previous loss incurred in FY 2017.

The Company and its subsidiaries (the “**A-Sonic Group**” or “**Group**”) achieved “Profit Before Tax” of US\$0.812 million in FY 2018, compared to a loss of US\$1.907 million in FY 2017.

At “Profit Attributable to Equity Holders of the Company” level, our Group result in FY 2018 was even better. Excluding “Non-controlling interests”, “Profit Attributable to Equity Holders of the Company” was US\$1.481 million in FY 2018. This was a positive swing in FY 2018, compared to “Loss Attributable to Equity Holders of the Company” of US\$1.221 million in FY 2017.

Two of the three operating business units achieved profits in FY 2018:

- (i) Our aviation operating business unit registered “Profit Attributable to Equity Holders of the Company” of US\$1.268 million; and
- (ii) “A-Sonic Logistics” operating sub-business unit recorded “Profit Attributable to Equity Holders of the Company” of US\$1.082 million.

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

<b>Business Unit Performance</b>	<b>“Profit Attributable to Equity Holders of the Company” for 12 months ended 31 December 2018 (“FY 2018”)</b>	<b>“Profit attributable to Equity Holders of the Company” for 12 months ended 31 December 2017 (“FY 2017”)</b>
(i) Aviation	US\$1.268 million	(US\$1.409 million)
(ii) Logistics sub-unit operating under “A-Sonic Logistics” brand	US\$1.082 million	US\$1.029 million
(iii) Logistics sub-unit operating under “UBI Logistics” group	(US\$0.869 million)	(US\$0.841 million)
Consolidated A-Sonic Group	<u>US\$1.481 million</u>	<u>(US\$1.221 million)</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**”).

In view that we recorded profits in FY 2018, we are pleased to announce that we have at least turned around from the losses incurred in FY 2015, FY 2016 and FY 2017.

**Action Taken**

We will continue to:

- (i) restructure and attempt to reduce foreign exchange currency impact on our business, where commercially feasible;
- (ii) restructure the operations and business of subsidiaries or associated companies that are incurring losses; and
- (iii) attempt to reduce our operating costs and increase productivity.

**Further Material Development**

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

ISSUED BY ORDER OF THE BOARD

Loo Keat Choon  
Joint Company Secretary

26 February 2019