



A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

EXPANDING INTO E-FULFILMENT LOGISTICS

The Board of Directors of A-Sonic Aerospace Limited (the "**Company**") is pleased to announce that its wholly-owned logistics subsidiary has, on 9 January 2014, entered into a business merger agreement (the "**Transaction**") with C8 Group Pty Ltd, Freightworks Pty Ltd, and Mr Lorenzo Macolino ("**LM**") (collectively the "**C8 Group**"), to expand into e-fulfilment logistics relating to internet trading.

The Transaction will facilitate the logistics subsidiaries of the Company ("**A-Sonic Logistics Group**") to jump start into e-fulfilment logistics relating to on-line trading. The Transaction will result in A-Sonic Logistics Group acquiring customers, including those related to the global e-market, as well as on-line trading.

The e-fulfilment capabilities will entail the capability to provide end-to-end logistics solutions. The e-fulfilment starts from the time the customers click to purchase or order an item on internet, right through to delivery to the customers. Based on the irreversible global market trend, Ms Janet Tan, CEO, A-Sonic Group, is of the view that "This Transaction is aimed to be a game changer for A-Sonic Logistics Group. To increase productivity, we need to rely on the technology and innovate."

The Transaction entails the transfer of all business and assets of C8 Group (the "**Business**") to A-Sonic Logistics Group, including in Australia, Hong Kong, Singapore and the United States of America.

The total consideration for the Business is by way of earn-out shares and will not exceed an equivalent of approximately AUD2.4 million (or equivalent to S\$2.722 million) ("**Maximum Pay Out**"). The earn-out shares to be issued to LM or his nominee(s) relate to that of a logistics subsidiary of A-Sonic Logistics Group, and is subject to LM achieving a minimum annual average gross profit of AUD4.0 million for each of the 12 months commencing 1 January 2014 to 31 December 2014, and from 1 January 2015 to 31 December 2015, to be generated from the C8 Group customers. The total consideration was negotiated and arrived at on a willing-buyer, willing-seller basis.

The Maximum Pay Out constitutes approximately 2.93% of the Company's market capitalization of S\$92.881 million as at 8 January 2014.

The Board of Directors of the Company is of the view that the Transaction should be in the interest of the A-Sonic Group as the A-Sonic Logistics Group would have a head start into the e-fulfilment logistics relating to internet trading.

None of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the Transaction.

The Transaction is not expected to have any material impact on the financial results of the Company and its subsidiaries for the financial year ending 31 December 2014.

A copy of the agreement is available for inspection by shareholders of the Company at 10 Anson Road, #24-07, International Plaza, Singapore 079903, from Monday to Friday (except public holidays) from 9.00 am to 5.00 pm till 8 April 2014.

ISSUED BY ORDER OF THE BOARD

Oh Seok Boon
Joint Company Secretary

9 January 2014