

Condensed Interim Financial Statements For the second half and full year ended 31 December 2023

<u>Table of Contents</u>	<u>Page</u>
A Condensed Interim Consolidated Income Statement of Profit or Loss and Other Comprehensive Income	1
B Condensed Interim Statements of Financial Position	2
C Condensed Interim Consolidated Statement of Cash Flows	3
D Condensed Interim Statements of Changes in Equity	4
E Notes to the Condensed Interim Consolidated Financial Statements	7
F Other Information Required by Listing Rule Appendix 7.2	15

A-SONIC AEROSPACE LIMITED

**A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the second half and full financial year ended 31 December 2023**

	Note	Group			Group		
		Second half year ended		Change	Full year ended		Change
		31 Dec 2023 US\$'000	31 Dec 2022 US\$'000		31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	
Turnover	5	105,185	156,821	(32.9)	216,027	378,781	(43.0)
Other income		1,051	704	49.3	2,497	1,250	99.8
Total revenue		106,236	157,525	(32.6)	218,524	380,031	(42.5)
Expenses							
Purchases of goods and consumables used		-	-	N/M	-	(902)	N/M
Freight charges		(91,662)	(142,889)	(35.9)	(189,703)	(344,154)	(44.9)
Staff costs		(9,602)	(10,304)	(6.8)	(19,505)	(21,263)	(8.3)
Depreciation of property, plant and equipment and investment property		(1,039)	(1,078)	(3.6)	(2,080)	(1,948)	6.8
Finance costs		(52)	(60)	(13.3)	(113)	(102)	10.8
Other operating expenses		(3,686)	(3,024)	21.9	(6,316)	(5,583)	13.1
Total costs and expenses		(106,041)	(157,355)	(32.6)	(217,717)	(373,952)	(41.8)
Share of results of associated companies		24	43	(44.2)	73	214	(65.9)
Profit before tax	8	219	213	2.8	880	6,293	(86.0)
Taxation	7	(324)	(152)	113.2	(437)	(791)	(44.8)
(Loss)/Profit for the financial period		(105)	61	N/M	443	5,502	(91.9)
(Loss)/Profit attributable to:							
- Equity holders of the Company		175	814	(78.5)	983	4,878	(79.8)
- Non-controlling interests		(280)	(753)	(62.8)	(540)	624	N/M
(Loss)/Profit for the financial period		(105)	61	N/M	443	5,502	(91.9)
Other comprehensive income:							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
- Currency translation differences arising on consolidation		477	302	57.9	37	(560)	N/M
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
- Currency translation differences arising on consolidation		7	(28)	N/M	(6)	(139)	(95.7)
Other comprehensive income for the financial period, net of tax		484	274	76.6	31	(699)	N/M
Total comprehensive income for the financial period		379	335	13.1	474	4,803	(90.1)
Total comprehensive income attributable to:							
- Equity holders of the Company		652	1,116	(41.6)	1,020	4,318	(76.4)
- Non-controlling interests		(273)	(781)	(65.0)	(546)	485	N/M
Total comprehensive income for the financial period		379	335	13.1	474	4,803	(90.1)
Earnings per share attributable to the equity holders of the company during the financial period:							
Basic and diluted (US\$ cents)		0.16	0.77	(78.6)	0.92	4.60	(80.0)
Equivalent (S\$ cents)		0.22	1.06	(79.2)	1.24	6.34	(80.5)

**B. Condensed Interim Statements of Financial Position
As At 31 December 2023**

	Note	Group		Company	
		31 Dec	31 Dec	31 Dec	31 Dec
		2023	2022	2023	2022
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Property, plant and equipment	11	5,569	6,150	407	-
Investment property	12	546	564	-	-
Investment in subsidiaries		-	-	13,538	13,538
Investment in associated companies		351	292	-	-
Fair value through other comprehensive income		99	99	-	-
Deferred tax assets		-	1	-	-
		6,565	7,106	13,945	13,538
Current assets					
Trade and other receivables		32,480	33,078	56	57
Contract assets		812	5,683	-	-
Due from subsidiaries		-	-	847	1,240
Tax recoverable		1	530	-	-
Cash and cash equivalents		47,573	49,822	7,331	7,501
		80,866	89,113	8,234	8,798
Total assets		87,431	96,219	22,179	22,336
Non-current liabilities					
Deferred tax liabilities		11	-	-	-
Lease liabilities	13	894	1,404	-	-
		905	1,404	-	-
Current liabilities					
Trade and other payables		39,179	46,359	254	514
Contract liabilities		33	165	-	-
Due to subsidiaries		-	-	756	612
Due to associated companies		408	270	-	-
Provision for liabilities		160	160	-	-
Lease liabilities	13	813	794	-	-
Tax payable		160	1,074	-	-
		40,753	48,822	1,010	1,126
Total liabilities		41,658	50,226	1,010	1,126
Net assets		45,773	45,993	21,169	21,210
Equity					
Share capital	14	52,507	52,507	52,507	52,507
Accumulated profits/(losses)		212	(171)	(31,338)	(31,297)
Foreign currency translation reserve		(7,689)	(7,726)	-	-
Equity attributable to equity holders of the Company		45,030	44,610	21,169	21,210
Non-controlling interests		743	1,383	-	-
Total equity		45,773	45,993	21,169	21,210

C. Condensed Interim Consolidated Statement of Cash Flows
For the second half and full financial year ended 31 December 2023

		Group			
		Second half year ended		Full year ended	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Note		US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities					
	Profit before tax	219	213	880	6,293
Adjustments for:					
	Impairment allowance/(Written back) for trade receivables	451	(166)	436	(123)
	Impairment allowance/(Written back) for non-trade receivables	1	(1)	1	(2)
	Impairment allowance for amount due from associated companies written back	(11)	(34)	(11)	(34)
	Interest income	(495)	(164)	(832)	(196)
	Dividend income	-	-	(446)	-
	(Gain)/Loss on disposal of property, plant and equipment	(85)	1	(89)	10
	Property, plant and equipment written off	(1)	-	-	3
	Reversal of provision for restructuring costs	-	(105)	-	(105)
	Depreciation of property, plant and equipment and investment property	1,039	1,078	2,080	1,948
	Interest expenses:				
	- Lease liabilities	52	60	113	101
	- Bank borrowings	-	-	-	1
	Share of results of associated companies	(24)	(43)	(73)	(214)
	Operating cash flow before working capital changes	1,146	839	2,059	7,682
	Inventories	-	1	-	902
	Receivables and contract assets	3,995	23,146	5,181	19,485
	Payables and contract liabilities	(1,340)	(24,252)	(7,311)	(14,665)
	Effect of foreign exchange rate changes	(279)	(71)	(88)	(548)
	Cash generated from/(used in) operations	3,522	(337)	(159)	12,856
	Income tax paid	(445)	(338)	(809)	(869)
	Net cash generated from/(used in) operating activities	3,077	(675)	(968)	11,987
Cash flows from investing activities					
	Dividend received	-	-	446	-
	Proceeds from disposal of property, plant and equipment	99	196	132	293
	Interest received	495	164	832	196
	Purchase of property, plant and equipment	(539)	(297)	(679)	(462)
	Net cash generated from investing activities	55	63	731	27
Cash flows from financing activities					
	Decrease in bank and fixed deposits pledged	48	83	100	158
	Repayment of bank borrowings	-	-	-	(74)
	Repayment of lease liabilities	(617)	(734)	(1,320)	(1,326)
	Dividend paid to minority shareholder	-	-	(94)	(59)
	Dividend paid to shareholders of the Company	-	-	(600)	(2,734)
	Proceeds on issue of bonus warrants	-	-	-	749
	Interest paid				
	- Lease liabilities	(52)	(60)	(113)	(101)
	- Bank borrowings	-	-	-	(1)
	Net cash used in financing activities	(621)	(711)	(2,027)	(3,388)
	Net increase/(decrease) in cash and cash equivalents	2,511	(1,323)	(2,264)	8,626
	Cash and cash equivalents at beginning of period	41,888	48,277	47,298	38,647
	Effect of foreign exchange rate changes	750	344	115	25
	Cash and cash equivalents at end of period	45,149	47,298	45,149	47,298

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

Cash and cash equivalents:					
	- Bank and cash balances	27,053	33,119	27,053	33,119
	- Fixed deposits	20,520	16,703	20,520	16,703
		47,573	49,822	47,573	49,822
	Less: Fixed deposits restricted for use	(2,424)	(2,524)	(2,424)	(2,524)
	Cash and cash equivalents per consolidated statement of cash flows	45,149	47,298	45,149	47,298

D. Condensed Interim Statements of Changes in Equity
For the second half and full financial year ended 31 December 2023

THE GROUP

	Share capital US\$'000	Accumulated profits/ (losses) US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to equity holders of the Company US\$'000	Non - controlling interests US\$'000	Total equity US\$'000
At 1 January 2023	52,507	(171)	(7,726)	44,610	1,383	45,993
Profit/(Loss) for the financial period	-	808	-	808	(260)	548
Other comprehensive income/(loss)						
Dividend paid to non-controlling shareholders by subsidiary	-	-	-	-	(94)	(94)
Currency translation differences on consolidation	-	-	(440)	(440)	(13)	(453)
Total comprehensive income/(loss) for the financial period	-	808	(440)	368	(367)	1
Transaction with owners recorded directly in equity						
Dividend paid on ordinary shares	-	(600)	-	(600)	-	(600)
At 30 June 2023	52,507	37	(8,166)	44,378	1,016	45,394
Profit/(Loss) for the financial period	-	175	-	175	(280)	(105)
Other comprehensive income/(loss)						
Currency translation differences on consolidation	-	-	477	477	7	484
Total comprehensive income/(loss) for the financial period	-	175	477	652	(273)	379
At 31 December 2023	52,507	212	(7,689)	45,030	743	45,773

D. Condensed Interim Statements of Changes in Equity (cont'd)
For the second half and full financial year ended 31 December 2023

THE GROUP

	Share capital US\$'000	Accumulated losses US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to equity holders of the Company US\$'000	Non - controlling interests US\$'000	Total equity US\$'000
At 1 January 2022	51,758	(2,315)	(7,166)	42,277	957	43,234
Profit for the financial period	-	4,064	-	4,064	1,377	5,441
Other comprehensive income/(loss)						
Dividend paid to non-controlling shareholders by subsidiary	-	-	-	-	(59)	(59)
Currency translation differences on consolidation	-	-	(862)	(862)	(111)	(973)
Total comprehensive income/(loss) for the financial period	-	4,064	(862)	3,202	1,207	4,409
Transaction with owners recorded directly in equity						
Issue of share capital	749	-	-	749	-	749
Dividend paid on ordinary shares	-	(2,734)	-	(2,734)	-	(2,734)
At 30 June 2022	52,507	(985)	(8,028)	43,494	2,164	45,658
Profit/(Loss) for the financial period	-	814	-	814	(753)	61
Other comprehensive income/(loss)						
Currency translation differences on consolidation	-	-	302	302	(28)	274
Total comprehensive income/(loss) for the financial period	-	814	302	1,116	(781)	335
At 31 December 2022	52,507	(171)	(7,726)	44,610	1,383	45,993

D. Condensed Interim Statements of Changes in Equity (cont'd)
For the second half and full financial year ended 31 December 2023

THE COMPANY	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2023	52,507	(31,297)	21,210
Profit and total comprehensive income for the financial period	-	2	2
Dividend paid on ordinary shares	-	(600)	(600)
At 30 June 2023	52,507	(31,895)	20,612
Profit and total comprehensive income for the financial period	-	557	557
At 31 December 2023	52,507	(31,338)	21,169

THE COMPANY	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2022	51,758	(29,231)	22,527
Profit and total comprehensive income for the financial period	-	4	4
Issue of share capital	749	-	749
Dividend paid on ordinary shares	-	(2,734)	(2,734)
At 30 June 2022	52,507	(31,961)	20,546
Profit and total comprehensive income for the financial period	-	664	664
At 31 December 2022	52,507	(31,297)	21,210

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

A-Sonic Aerospace Limited is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the year ended 31 December 2023 comprised the Company and its subsidiary (collectively, the "Group").

The principal activities of the Company are those of investment holding and provision of management services. The existing principal activities of its subsidiaries are:-

- (a) Sale and purchase of aircraft components; and
- (b) Logistics (relating to supply chain management services and logistic solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and air cargo handling services).

There have been no significant changes in the nature of these activities during the financial year.

2. Basis of preparation

The condensed interim financial statements are presented in United States dollar ("US\$") which is the Company's functional currency and are rounded to the nearest thousand (US\$'000) except when otherwise indicated.

The condensed interim financial statements for the year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

2.1 New and amended standards

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2022.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial interim period are disclosed in Note 3.

3. Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period, are discussed below.

Impairment of non-current assets

The Group and the Company assess whether there are any indicators of impairment for all non-current assets at each reporting date. Non-current assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit, expected growth rates and a suitable discount rate, in order to determine the present value of those cash flows.

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the cash-generating unit to exceed its recoverable amount. The carrying amounts of significant non-current assets are property, plant and equipment and investments in subsidiaries and investment in associated companies.

Calculation of loss allowance

Management determines the loss allowance on receivables and contract assets by categorising them based on shared credit risk characteristics, historical loss patterns and historical payment profiles. The Group also assesses at the end of the reporting period whether there is any objective evidence that the receivables and contract balances from individual customers are credit-impaired based on factors such as insolvency, financial difficulties of the customer or significant delay in repayments.

Based on the simplified approach, there was adequate loss allowance made as at 31 December 2023 for expected credit loss on trade receivables.

4. Seasonal operations

Our Group's logistics business may be subject to seasonal cargo traffic volume in our twelve (12) months period financial year ending 31 December. In general, the logistics industry may encounter higher volume of cargo traffic for pre-orders of goods, especially before major festive seasons, for example, Thanksgiving, Christmas, New Year, Chinese Lunar New Year, and other festive seasons.

In addition, our logistics business may be subject to volatile freight rates of airlines and ocean carriers, and other inter-modal transport modes. This could arise due to several unforeseeable factors, for example, port/airport congestions, temporary port/airport closures, shortage of transportation equipment, strikes at ports/airports, weather and climate that might affect the operations of various transportation modes in the global trade.

5. Segment and revenue information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's executive directors for making decisions about allocating resources and assessing performance of the operating segments.

For management purpose, the Group is organised into two (2) business segments based on their services as follows:

- (i) Aviation; and
- (ii) Logistics

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment of each segment. Sales between operating segments are at arm's-length basis in a manner similar to transactions with third parties. Reportable segments' turnover, profit before tax, interest income and finance costs are measured in a manner consistent with that in the consolidated statement of profit or loss and statement of comprehensive income. The amounts provided to the management with respect to reportable segments' assets and liabilities are measured in a manner consistent with that of the financial statements.

5. Segment and revenue information (Cont'd)

5.1 Reportable segments

Reportable segments are as follow:-

	Aviation Second half year ended		Logistics Second half year ended		Consolidated Second half year ended	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Turnover from reportable segments	4	33	105,181	156,788	105,185	156,821
Interest income	177	86	318	78	495	164
Finance costs	(2)	-	(50)	(60)	(52)	(60)
Depreciation of property, plant and equipment and investment property	(34)	(18)	(1,005)	(1,060)	(1,039)	(1,078)
Gain/(Loss) on disposal of property, plant and equipment	75	-	10	(1)	85	(1)
Share of results of associated companies	-	-	24	43	24	43
Taxation expenses	-	-	(324)	(152)	(324)	(152)
Reportable segment (loss)/profit	(170)	(257)	65	318	(105)	61
Other material						
non-cash items:						
(Impairment allowance)/Written back for trade receivables	-	(10)	(451)	176	(451)	166
Impairment allowance for associated companies written back	-	-	11	34	11	34
(Impairment allowance)/Written back for non-trade receivables	-	-	(1)	1	(1)	1
Reversal of provision for restructuring costs	-	-	-	105	-	105

	Aviation Full year ended		Logistics Full year ended		Consolidated Full year ended	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Turnover from reportable segments	14	1,301	216,013	377,480	216,027	378,781
Interest income	347	99	485	97	832	196
Finance costs	(2)	-	(111)	(102)	(113)	(102)
Depreciation of property, plant and equipment and investment property	(51)	(36)	(2,029)	(1,912)	(2,080)	(1,948)
Gain/(Loss) on disposal of property, plant and equipment	75	-	14	(10)	89	(10)
Share of results of associated companies	-	-	73	214	73	214
Taxation expenses	-	-	(437)	(791)	(437)	(791)
Reportable segment (loss)/profit	(356)	(510)	799	6,012	443	5,502
Other material						
non-cash items:						
(Impairment allowance)/Written back for trade receivables	-	(10)	(436)	133	(436)	123
(Impairment allowance)/Written back for non-trade receivables	-	-	(1)	2	(1)	2
Reversal of provision for restructuring costs	-	-	-	105	-	105
Impairment allowance for associated companies written back	-	-	11	34	11	34
Property, plant and equipment written off	-	(3)	-	-	-	(3)

5. Segment and revenue information (Cont'd)

5.1 Reportable segments (Cont'd)

	Aviation Full year ended		Logistics Full year ended		Consolidated Full year ended	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Segment assets	8,918	8,770	78,512	86,918	87,430	95,688
Segment liabilities	408	674	41,079	48,478	41,487	49,152
Expenditure in non-current assets	425	-	1,082	2,578	1,507	2,578

5.2 Disaggregation of Revenue

	Aviation Second half year ended		Logistics Second half year ended		Consolidated Second half year ended	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Types of goods or services						
Sales of goods	4	33	-	-	4	33
Rendering of services	-	-	105,181	156,788	105,181	156,788
Total revenue	4	33	105,181	156,788	105,185	156,821
Timing of revenue recognition:						
Over time	-	-	6,946	7,536	6,946	7,536
At a point in time	4	33	98,235	149,252	98,239	149,285
Total revenue	4	33	105,181	156,788	105,185	156,821

	Aviation Full year ended		Logistics Full year ended		Consolidated Full year ended	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Types of goods or services						
Sales of goods	14	1,301	-	-	14	1,301
Rendering of services	-	-	216,013	377,480	216,013	377,480
Total revenue	14	1,301	216,013	377,480	216,027	378,781
Timing of revenue recognition:						
Over time	-	-	13,804	15,970	13,804	15,970
At a point in time	14	1,301	202,209	361,510	202,223	362,811
Total revenue	14	1,301	216,013	377,480	216,027	378,781

Geographical information:

	Aviation Second half year ended		Logistics Second half year ended		Consolidated Second half year ended	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
The People's Republic of China (including Hong Kong S.A.R)	-	-	57,051	91,539	57,051	91,539
Australia	-	-	23,590	29,754	23,590	29,754
Singapore	4	33	10,571	12,853	10,575	12,886
North America (USA and Canada)	-	-	6,855	10,821	6,855	10,821
Other countries	-	-	7,114	11,821	7,114	11,821
	4	33	105,181	156,788	105,185	156,821

5. Segment and revenue information (Cont'd)

Geographical information (Cont'd):

	Aviation Full year ended		Logistics Full year ended		Consolidated Full year ended	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
The People's Republic of China (including Hong Kong S.A.R)	-	-	116,082	239,561	116,082	239,561
Australia	-	-	50,066	49,177	50,066	49,177
Singapore	14	1,301	22,512	26,254	22,526	27,555
North America (USA and Canada)	-	-	17,227	41,271	17,227	41,271
Other countries	-	-	10,126	21,217	10,126	21,217
	14	1,301	216,013	377,480	216,027	378,781

A breakdown of sales as follows:-

	Group Full year ended		
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	% decrease
a) Sales reported for first half year	110,842	221,960	-50.1%
b) Profit after tax before deducting non-controlling interests reported for first half year	548	5,441	-89.9%
c) Sales reported for second half year	105,185	156,821	-32.9%
d) Profit after tax before deducting non-controlling interests reported for second half year	(105)	61	N/M

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 December 2022:

	Group		Company	
	31 December 2023 US\$'000	31 December 2022 US\$'000	31 December 2023 US\$'000	31 December 2022 US\$'000
Financial Assets				
Fair value through other comprehensive income	99	99	-	-
Financial assets at amortised costs	78,496	79,956	8,231	8,795
Financial Liabilities				
Financial liabilities at amortised costs	40,369	48,063	1,010	1,126

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	Second half year ended		Full year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Tax expense attributable to profits is made up of:				
Current financial year				
- tax expense	246	423	342	1,043
Under/(over) provision in prior financial years:				
- Current Income tax	65	(277)	82	(258)
- Deferred income tax	13	6	13	6
	324	152	437	791

8. Profit before tax

8.1 Significant items

Profit before tax is arrived at after crediting/(charging):

	Group			
	Second half year ended		Full year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Dividend income	-	-	446	-
Interest income	495	164	832	196
Sundry income	488	426	1,085	899
(Impairment allowance)/Written back for trade receivables	(451)	166	(436)	123
(Impairment allowance)/Written back for non-trade receivables	(1)	1	(1)	2
Amount due from associated companies written back	11	34	11	34
Gain/(Loss) on disposal of property, plant and equipment	85	(1)	89	(10)
Foreign currency exchange (loss)/gain	(301)	(230)	(286)	99
Rental expenses	(221)	(184)	(460)	(511)

8.2. Related parties transaction

The Group had no significant transaction with related parties during the financial period.

9. Dividend

	Group	
	2023	2022
	US\$'000	US\$'000
Final exempt dividend of 0.50 Singapore cent per share paid in respect of the previous financial year ended 31 December 2021	-	258
Special exempt dividend of 4.80 Singapore cent per share paid in respect of the previous financial year ended 31 December 2021	-	2,476
Final exempt dividend of 0.75 Singapore cent per share paid in respect of the previous financial year ended 31 December 2022	600	-
	600	2,734

As further discussed on page 23 at paragraph 5(a) of section F (entitled "Other Information" required by Listing Rule Appendix 7.2), the Board of Directors has recommended that, a final one-tier tax exempt dividend of 0.25 Singapore cent per share, in respect of financial year ended 31 December 2023.

10. Net asset value

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net asset value per share based on existing issued share capital at the end of period/year (US\$ cents)	42.20	50.17	19.84	23.85
Net asset value per share based on existing issued share capital at the end of period/year (S\$ cents)	55.62	67.38	26.15	32.03

11. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets (included right-of-use assets) relating to our business amounted to US\$1,507,000 (31 December 2022: US\$2,578,000), and disposed of assets (included derecognition of right-of-use assets) relating to our business amounted to US\$1,631,000 (31 December 2022: US\$1,589,000).

12. Investment property

	Group	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Cost		
At beginning of financial year	574	-
Reclassification from property, plant and equipment	-	574
At end of financial year	574	574
Accumulated depreciation		
At beginning of financial year	10	-
Depreciation charge	18	10
At end of financial year	28	10
Net book value		
As at 31 December	546	564

13. Lease liabilities

	Group	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
The lease liabilities are analysed as follows:		
Not more than one year	813	794
Later than one year but not later than five years	894	1,404
	1,707	2,198

14. Share capital

	The Group and the Company			
	31 Dec 2023		31 Dec 2022	
	Number of shares	US\$'000	Number of shares	US\$'000
Issued and fully paid capital				
At beginning of period	88,912,626	52,507	58,479,296	51,758
Exercise of bonus warrants	-	-	12,652,247	749
Bonus issue	17,781,095	-	17,781,083	-
At end of period	106,693,721	52,507	88,912,626	52,507

The Company did not hold any treasury shares as at 31 December 2023.

There was no sale, transfer, disposal, cancellation and/or use of subsidiary holdings as at 31 December 2023.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of A-Sonic Aerospace Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year ended and certain explanatory notes have not been audited or reviewed by auditors.

2. Review of performance of the Group

FINANCIAL PERFORMANCE

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 28 cities in 15 countries, spanning four (4) continents in Asia, North America, Europe, and Sub-Continent India. Our staff strength was approximately 585 personnel as at 31 December 2023.

We are engaged in the sale and purchase of aircraft components.

We are also engaged in providing supply chain management services. We specialize in various aspects of logistics solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and air cargo handling services.

FINANCIAL HIGHLIGHTS

Uncertainty dominated in 2023. Business and policy-makers faced persistent headwinds and continued volatility as global economic activity remained slow, financial condition remained tight, and geoeconomic fragmentation increased localisation. As a result, global trade was under pressure.

With this economic backdrop, we encountered several challenges. Marked by protracted weakness in global growth in 2023, cargo volume declined. Freight rates in most of 2023 remained low, relative to 2022. As a result, “Turnover” declined, particularly in North Asia.

Amongst others, high labour costs, and inflation, all led to stark increases in the cost of living in 2023. While “Turnover” declined in 2023, we still had to maintain minimal operating cost structure to function effectively. This led to profit compression.

Despite the multi-facet headwinds, we managed to end the twelve (12) months ended 31 December 2023 (“**FY 2023**”) on a positive note. Of our three (3) business units, only our logistics business unit operating under the “A-Sonic Logistics” brand name registered “Profit Before Tax” and “Net Profit Attributable to Equity Holders of the Company”. This profit was, however, pared by the losses of our aviation business unit and logistics business unit operating under the “UBI Logistics” brand name.

Geographically, North Asia and North America faced sharp declines in “Turnover”. Collectively, these two (2) regions accounted for 90.7% of the contraction of the Group “Turnover” in FY 2023. The People’s Republic of China (including Hong Kong S.A.R) accounted for 75.9% of the decrease, while USA and Canada accounted for 14.8%.

INCOME STATEMENT

Revenue

FY 2023 vs FY 2022

Our “Total revenue” comprised “Turnover” and “Other income”. We recorded a “Total revenue” of US\$218.524 million in FY 2023, compared to US\$380.031 million in FY 2022. This represented a decline of 42.5% (US\$161.507 million). The contraction in our “Total revenue” was primarily attributable to a US\$162.754 million (43.0%) decline in our “Turnover”. This reduction was, however, partially pared by an increase of US\$1.247 million to US\$2.497 million in our “Other income” in FY 2023.

Revenue

FY 2023 vs FY 2022

(i) “Turnover”

Our “Turnover” decreased US\$162.754 million (43.0%) to US\$216.027 million in FY 2023, compared to US\$378.781 million in FY 2022. All our three (3) business units recorded lower “Turnover”:

- (a) the aviation business unit recorded a decline of US\$1.287 million;
- (b) the logistics business unit operating under the “A-Sonic Logistics” brand name recorded a decline of US\$29.440 million; and
- (c) the logistics business unit operating under the “UBI Logistics” brand name recorded a decline of US\$132.027 million.

Of the US\$161.467 million reduction in our logistics “Turnover”, two (2) regions faced sharp declines. Collectively The People’s Republic of China (including Hong Kong S.A.R); and North America, more specifically the USA and Canada, accounted for 90.7% (US\$147.523 million) of the contraction; and

The weaker performances of our Trans-Pacific trade routes were largely attributed to macro-economic structural challenges, resulting in weaker global demand. Cargo volume contracted, which led to softer freight rates. The reduction in cargo volume and lower freight rates, led to a steep decline in “Turnover”.

(ii) “Other income”

“Other income” increased US\$1.247 million to US\$2.497 million in FY 2023, compared to US\$1.250 million in FY 2022. The increase in “Other income” was attributable to:

- (a) higher interest income of US\$0.636 million to US\$0.832 million in FY 2023, compared to US\$0.196 million in FY 2022. Interest income increased with higher interest rates in FY 2023, compared to FY 2022;
- (b) US\$0.446 million dividend income received in FY 2023, but was absent in FY 2022. We received the dividend income from an affiliated logistics company, engaged in e-fulfilment in relation to e-commerce; and
- (c) US\$0.186 million increase in sundry income to US\$1.085 million in FY 2023, compared to US\$0.899 million in FY 2022. Sundry income increased, largely due to a write back of a trade payable, and the receipt of a government grant.

2H 2023 vs 2H 2022

Our Group’s “Total revenue” declined US\$51.289 million (32.6%) to US\$106.236 million in the second six (6) months ended 31 December 2023 (“**2H 2023**”), compared to US\$157.525 million in the second six (6) months ended 31 December 2022 (“**2H 2022**”). The contraction in our “Total revenue” was attributable to a US\$51.636 million (32.9%) decline in our “Turnover”.

(i) “Turnover”

“Turnover” decreased US\$51.636 million (32.9%) to US\$105.185 million in 2H 2023, compared to US\$156.821 million in 2H 2022. All our three (3) business units recorded lower “Turnover”:

- (a) the aviation business unit recorded a decline of US\$0.029 million;
- (b) the logistics business unit operating under the “A-Sonic Logistics” brand name recorded a decline of US\$9.122 million; and
- (c) the logistics business unit operating under the “UBI Logistics” brand name recorded a decline of US\$42.485 million.

In 2H 2023, the decrease in our Group “Turnover” was more dispersed regionally, reflecting a generally weaker global market:

- (a) The People’s Republic of China (including Hong Kong S.A.R) accounted for 66.9% (US\$34.488 million) of the Group “Turnover” contraction;
- (b) Australia accounted for 11.9% (US\$6.164 million);
- (c) “Other countries” accounted for 9.1% (US\$4.707 million);
- (d) North America (USA and Canada) accounted for 7.7% (US\$3.966 million); and
- (e) Singapore accounted for 4.4% (US\$2.282 million).

Revenue

2H 2023 vs 2H 2022

(ii) "Other income"

"Other income" increased US\$0.347 million (49.3%) to US\$1.051 million in 2H 2023, compared to US\$0.704 million in 2H 2022. This was largely attributable to an increase of US\$0.331 million in interest income to US\$0.495 million in 2H 2023, compared to US\$0.164 million in 2H 2022. Interest income increased with higher rates in 2H 2023, compared to 2H 2022.

2H 2023 vs 1H 2023

Our Group's "Total revenue" declined US\$6.052 million (5.4%) to US\$106.236 million in 2H 2023, compared to US\$112.288 million in 1H 2023, on two (2) grounds:

(i) "Turnover"

"Turnover" decreased US\$5.657 million (5.1%) to US\$105.185 million in 2H 2023, compared to US\$110.842 million in 1H 2023. All our three (3) business units recorded lower "Turnover":

- (a) the aviation business unit recorded a decline of US\$0.006 million;
- (b) the logistics business unit operating under the "A-Sonic Logistics" brand name recorded a decline of US\$2.233 million; and
- (c) the logistics business unit operating under the "UBI Logistics" brand name recorded a decline of US\$3.418 million.

(ii) "Other income"

"Other income" declined US\$0.395 million (27.3%) to US\$1.051 million in 2H 2023, compared to US\$1.446 million in 1H 2023. The decrease was due to the absence of dividend income in 2H 2023, in contrast to a receipt of dividend income of US\$0.446 million in 1H 2023. The decline in "Other Income" was, however, partially offset by an increase of US\$0.158 million in interest income.

Total Costs and Expenses

FY 2023 vs FY 2022

Our "Total costs and expenses" comprised substantially two (2) items: (i) "Freight charges" and "Purchases of goods and consumables used", and (ii) "Staff costs". The two (2) costs items constituted approximately 96.1% of our "Total costs and expenses" in FY 2023:

(i) "Freight charges" and "Purchases of goods and consumables used"

"Freight charges" are costs incurred resulting from our logistics business unit. "Freight charges" constituted approximately 87.1% (US\$189.703 million) of our "Total Costs and Expenses" in FY 2023. "Freight charges" decreased US\$154.451 million (44.9%) to US\$189.703 million in FY 2023, compared to US\$344.154 million in FY 2022. This was in line with our 43.0% contraction in our Group's "Turnover" over the corresponding period.

In FY 2023, our aviation business unit did not record any "Purchase of goods and consumables used" as there was no such cost. In FY 2022, this cost item amounted to US\$0.902 million.

(ii) "Staff costs"

"Staff costs" constituted approximately 9.0% (US\$19.505 million) of our "Total Costs and Expenses" in FY 2023. Our "Staff costs" decreased US\$1.758 million (8.3%) to US\$19.505 million in FY 2023, compared to US\$21.263 million in FY 2022. Lower "Staff costs" in FY 2023, was primarily due to a reduction in head count, salaries, performance bonuses, commissions, and incentives. These were in line with the lower "Turnover" and profits, as elaborated in the section entitled "Revenue FY 2023 vs FY 2022" at page 15 and 16, and the section entitled "Profit Before Tax and Net Profit Attributable to Equity Holders of the Company" FY 2023 vs FY 2022 at page 19 and 20.

Total Costs and Expenses

FY 2023 vs FY 2022

The remaining three (3) costs (excluding “Freight charges”; “Purchases of goods and consumables used”; and “Staff cost”) were largely “Depreciation of property, plant, and equipment and investment property”, “Finance cost” and “Other operating expenses”. The latter three (3) cost items aggregated to US\$8.509 million, and constituted approximately 3.9% of our “Total cost and expenses” in FY 2023, which was US\$0.876 million higher than in FY 2022 due to:

- (a) an increase of US\$0.132 million in “Depreciation of property, plant and equipment and investment property”. This resulted from additional “right-of-use assets” relating to leasehold office units for our logistics business;
- (b) an increase of US\$0.011 million in “Finance costs”; and
- (c) an increase of US\$0.733 million in “Other operating expenses” to US\$6.316 million in FY 2023, compared to US\$5.583 million in FY 2022. The increase was due to:
 - (i) an impairment of US\$0.407 million in “Allowance for Trade Receivables” incurred by our logistics business unit operating under the brand name of “UBI Logistics”. In contrast, it was a write back of US\$0.054 million in FY 2022; and
 - (ii) a foreign currency exchange (“forex”) loss of US\$0.286 million incurred in FY 2023, compared to a forex gain of US\$0.099 million in FY 2022. The forex loss in FY 2023 was largely attributable to the depreciation of Renminbi against United States Dollar.

2H 2023 vs 2H 2022

Our “Freight charges” and “Staff costs” constituted approximately 95.5% of our “Total Costs and Expenses” in 2H 2023, compared to 97.4% in the corresponding period in 2H 2022:

(i) “Freight charges”

“Freight charges” constituted approximately 86.4% (US\$91.662 million) of our “Total costs and expenses” in 2H 2023. “Freight charges” decreased US\$51.227 million (35.9%) to US\$91.662 million in 2H 2023, from US\$142.889 million in 2H 2022. This was in line with a contraction of 32.9% in our Group’s “Turnover” over the corresponding period; and

(ii) “Staff costs”

“Staff costs” constituted approximately 9.1% of our “Total Costs and Expenses” in 2H 2023. Our “Staff costs” decreased US\$0.702 million (6.8%) to US\$9.602 million in 2H 2023, compared to US\$10.304 million in 2H 2022. “Staff costs” was lower in 2H 2023 compared to 2H 2022 largely due to a reduction in head count, salaries, performance bonus, commissions and incentives.

The remaining three (3) costs (excluding “Freight charges” and “Staff costs”), were largely “Depreciation of property, plant, and equipment and investment property”, “Finance costs” and “Other operating expenses”. The latter three (3) cost items aggregated to US\$4.777 million, and constituted approximately 4.5% of our “Total costs and expenses” in 2H 2023. In 2H 2022, these same three (3) costs items amounted to US\$4.162 million. The increase of US\$0.615 million was attributable to higher “Other operating costs” in 2H 2023. “Other operating costs” increased US\$0.662 million (21.9%) to US\$3.686 million in 2H 2023, primarily due to:

- (i) an impairment of US\$0.395 million in “Allowance for Trade Receivables” incurred by our logistics business operating under the brand name of “UBI Logistics”, whereas it was a write back of US\$0.049 million in 2H 2022; and
- (ii) higher (US\$0.071 million) forex loss. In 2H 2023, we incurred higher forex loss of US\$0.301 million, compared to a lower forex loss of US\$0.230 million in 2H 2022.

Total Costs and Expenses

2H 2023 vs 1H 2023

“Total costs and expenses” decreased US\$5.635 million (5.0%) to US\$106.041 million in 2H 2023, compared to US\$111.676 million in 1H 2023, largely due to:

- (i) “Freight charges” declined US\$6.379 million (6.5%) to US\$91.662 million in 2H 2023. This was in tandem with our 5.1% lower “Turnover” in 2H 2023, compared to 1H 2023, as elaborated in the section entitled “Revenue” 2H 2023 vs 1H 2023 at page 17;
- (ii) “Staff costs” declined US\$0.301 million to US\$9.602 million in 2H 2023, compared to US\$9.903 million in 1H 2023. The decline was in part due to the absence of bonus pay outs which was made in 1H 2023, but absent in 2H 2023.

The remaining three (3) costs (excluding “Freight charges” and “Staff costs”), were largely “Depreciation of property, plant, and equipment and investment property”, “Finance costs” and “Other operating expenses”. The latter three (3) cost items aggregated to US\$4.777 million, and constituted approximately 4.5% of our “Total Costs and Expenses” in 2H 2023. In contrast, these same three (3) costs items amounted to US\$3.732 million in 1H 2023. The increase of US\$1.045 million in “Total Costs and Expenses” was attributable to higher “Other operating costs” in 2H 2023.

“Other operating costs” increased US\$1.056 million (40.2%) to US\$3.686 million in 2H 2023, primarily due to:

- (i) Our logistics business unit operating under the “UBI Logistics” brand name incurred US\$0.395 million of impairment allowance for trade receivables in 2H 2023, compared to US\$0.012 million in 1H 2023;
- (ii) US\$0.316 million difference in forex. In 2H 2023, we recorded a forex loss of US\$0.301 million. In contrast, in 1H 2023, we registered a forex gain of US\$0.015 million;
- (iii) Our logistics business unit operating under the “UBI Logistics” brand name incurred US\$0.498 million of travelling expenses in 2H 2023, in contrast to US\$0.245 million in 1H 2023; and
- (iv) US\$0.079 million increase in insurance cost in 2H 2023.

Profit Before Tax and Net Profit Attributable to Equity Holders of the Company

FY 2023 vs FY 2022

In line with a decline of US\$162.754 million (43.0%) in our “Turnover” to US\$216.027 million in FY 2023, from US\$378.781 million, our “Profit Before Tax” (“PBT”) declined US\$5.413 million (86.0%) to US\$0.880 million in FY 2023. PBT decreased even sharper than “Turnover”, because we had to still maintain minimal operating cost structure to function effectively.

Although we did manage to reduce US\$0.882 million in our operating cost (excluding “Freight charge” and “Purchases of goods and consumables used”) to US\$28.014 million in FY 2023, compared to US\$28.896 million in 2022, however, the cost reduction was not sufficient to off-set the sharp fall of US\$7.401 million in our gross profit in FY 2023, compared to FY 2022. Gross profit was down owing to a decline of US\$ 162.754 million in “Turnover” in FY 2023, as elaborated in the section entitled “Revenue” FY 2023 vs FY 2022 at page 16.

Our Group’s PBT decreased US\$5.413 million to US\$0.880 million in FY 2023. In terms of business units, our logistics business operating under the brand name of “A-Sonic Logistics” contributed to US\$2.414 million to our Group’s PBT in FY 2023. However, this was pared by the losses incurred by “UBI Logistics” (US\$1.178 million) and our aviation business unit (US\$0.356 million).

Geographically, five (5) regions and/or countries accounted for 85.5% (US\$4.630 million) decline in our Group’s PBT in FY 2023, compared to FY 2022:

- (i) North Asia, particularly, The People’s Republic of China (including Hong Kong S.A.R.) contracted US\$2.207 million, representing 40.8% decline in our Group’s PBT in FY 2023, compared to FY 2022. The weaker performance in North Asia was elaborated in the section entitled “Revenue” FY 2023 vs FY 2022 at page 16;
- (ii) Singapore contracted US\$0.794 million, representing 14.7% decline in our Group’s PBT in FY 2023, compared to FY 2022. Our Singapore headquarters encountered lower PBT on two counts: (a) lower cargo tonnage volume of our multinational customers; and (b) higher labour costs due to stark increases in cost of living and inflation;
- (iii) Malaysia contracted US\$0.713 million, representing 13.2% decline in our Group’s PBT in FY 2023, compared to FY 2022. Malaysia encountered lower profit due to the absence of air charter business, weaker Malaysia Ringgit against the United States Dollar, and softer economy;

Profit Before Tax and Net Profit Attributable to Equity Holders of the Company

FY 2023 vs FY 2022

- (iv) United Kingdom contracted US\$0.485 million (9.0%). Lower cargo volume and rising operational costs, coupled with additional headcounts and increase in traveling expenses lowered the PBT of United Kingdom; and
- (v) North America, more specifically the USA and Canada, contracted US\$0.431 million (8.0%). The weaker performance was due to lower cargo volume in the Trans-Pacific trade route.

Despite a decline of 86.0% in PBT, our “Net Profit Attributable to Equity Holders of the Company” (which excludes “Non-Controlling Interests”) fared better. We posted a “Net Profit Attributable to Equity Holders of the Company” of US\$0.983 million in FY 2023.

We recorded “Total Comprehensive Income Attributable to Equity Holders of the Company” of US\$1.020 million in FY 2023, down 76.4% compared to FY2022. The decline was 3.4 percentage point less than the 79.8% decline in our “Net Profit Attributable to Equity Holders of the Company” was primarily due to the appreciation of a few currencies in the countries we operated in, against the US Dollar, for example Singapore Dollar, Euro, and British Pound. The translation of certain of our subsidiaries’ local financial statements into the Group’s US Dollar presentation currency recorded a positive currency translation of US\$0.037 million in FY 2023, compared to a negative currency translation difference of US\$0.560 million in FY 2022.

2H 2023 vs 2H 2022

Despite “Turnover” was down 32.9% to US\$105.185 million in 2H 2023, compared to US\$156.821 million in 2H 2022, our PBT increased 2.8% to US\$0.219 million. The increase in PBT was on three (3) grounds:

- (i) we managed to maintain our gross profit, albeit 2.9% marginally down;
- (ii) “Other revenue” increased US\$0.347 million to US\$1.051 million in 2H 2023; and
- (iii) we tightened our operating expenses, excluding “Freight charges” by US\$0.087 million. This was largely as a result of this lower (US\$0.702 million) “Staff Costs” in 2H 2023.

Owing to an increase of US\$0.172 million in “Tax Expenses” to US\$0.324 million in 2H 2023, we incurred a “Loss for the financial period” in 2H 2023, compared to a profit of US\$0.061 million in 2H 2022.

Excluding “Non-Controlling Interests”, our “Profit Attributable to Equity Holders of the Company” fared better. We recorded “Profit Attributable to Equity Holders of the Company” of US\$0.175 million. This was, however, lower than the US\$0.814 million achieved in 2H 2022. The lower earnings in 2H 2023 was elaborated in the section entitled “Profit Attributable to Equity Holders of the Company” FY 2023 vs FY 2022 at page 19 and 20.

“Total Comprehensive Income Attributable to Equity Holders of the Company” was down 41.6% to US\$0.652 million in 2H 2023, compared to US\$1.116 million in 2H 2022.

2H 2023 vs 1H 2023

Despite “Turnover” was down 5.1% to US\$105.185 million in 2H 2023, compared to US\$110.842 million in 1H 2023, our PBT declined 66.9% to US\$0.219 million. The steeper decline in PBT was attributable to:

- (i) US\$0.744 million higher operating expenses, excluding “Freight charges”, in 2H 2023 to US\$14.379 million in 2H 2023, compared to US\$13.635 million in 1H 2023. The increase of US\$0.744 million was largely due to higher “Other operating expenses” relating largely to forex losses, and trade and non-trade allowance for bad debts; and
- (ii) “Other revenue” declined US\$0.395 million in 2H 2023 to US\$1.051 million, compared to 1H 2023. The reduction in “Other revenue” was attributable to the absence of dividend income in 2H 2023, but US\$0.446 million was received in 1H 2023.

In line with lower PBT, our “Profit Attributable to Equity Holders of the Company” declined to US\$0.175 million in 2H 2023, compared to US\$0.808 million in 1H 2023.

BALANCE SHEET

Non-current assets

The Group's "Non-current assets" decreased 7.6% (US\$0.541 million) to US\$6.565 million as at 31 December 2023 ("end FY 2023"), compared to US\$7.106 million as at 31 December 2022 ("end FY 2022"). The decrease was mainly due to a decline of USD\$0.581 million (9.4%) in "Property, plant and equipment" to US\$5.569 million as at end FY 2023. "Property, plant and equipment" decreased largely owing to depreciation in our "Property, plant and equipment" in FY2023.

Our "Non-current assets" comprised substantially (84.8%) "Property, plant and equipment", and the breakdown was as follows as at 31 December 2023:

<u>Item</u>	<u>US\$'000</u>
1 Leasehold office; Building on freehold land; and freehold land	1,974
2 Motor vehicles (deployed for our logistics business)	1,330
3 Other assets	642
4 Right-of-use	1,623
	<u>5,569</u>

Current assets

Our "Current assets" decreased US\$8.247 million (9.3%) to US\$80.866 million as at end FY 2023 largely due to:

- (i) US\$4.871 million reduction in "Contract assets" arising from our rights in consideration for services rendered, but yet to be billed as at end FY 2023;
- (ii) US\$2.249 million reduction in "Cash and cash equivalent" to US\$47.573 million as at end FY 2023, compared to US\$49.822 million as at end FY 2022. Cash was deployed to partially pay our trade and service providers as elaborated below in the section entitled "Current Liabilities";
- (iii) US\$0.598 million (1.8%) reduction in "Trade and other receivables" to US\$32.480 million as at end FY 2023, from US\$33.078 million as at end FY 2022; and
- (iv) US\$0.529 million reduction in "Tax recoverable" to US\$0.001 million as at end FY 2023, from US\$0.530 million as at end FY 2022. This was largely due to timing difference, particularly in countries where corporate taxes were paid in advance.

Non-current liabilities

"Lease liabilities" decreased US\$0.510 million to US\$0.894 million as at end FY 2023. This was largely due to partial repayment of "Lease liabilities" relating to leases for offices, and motor vehicles deployed in our logistics business.

Current liabilities

"Current liabilities" decreased US\$8.069 million to US\$40.753 million as at end FY 2023, from US\$48.822 million as at end FY 2022, substantially due to:

- (i) US\$7.180 million decline in "Trade and other payables", in part due to more on-time payments to ocean liners and air carriers to secure cargo space, and partial repayment in cash; and
- (ii) US\$0.914 million decline in "Tax Payable" to US\$0.160 million as at end FY 2023, compared to US\$1.074 million as at end FY 2022. This was due to lower taxation incurred as a result of lower earnings in FY2023 as elaborated under the section entitled "Profit Before Tax and Net Profit Attributable to Equity Holders of the Company" at page 19 and 20.

Net assets and equity

Excluding "Non-controlling interests", our "Equity attributable to equity holders of the Company" was up by US\$0.420 million (0.9%) to US\$45.030 million as at end FY 2023. The increase was attributable to the "Accumulated profits" to US\$0.212 million as at end FY 2023, compared to "Accumulated losses" of US\$0.171 million as at end FY 2022. We managed to turnaround and achieved "Accumulated profits" as at end FY 2023, in contrast to an "Accumulated losses" as at end FY 2022.

CASH FLOW

FY 2023 vs FY 2022

“Net cash used in operating activities” was US\$0.968 million in FY 2023, compared to “Net cash generated from operating activities” of US\$11.987 million in FY 2022 largely due to:

- (i) the “Operating cash flow before working capital changes” generated cash amounted to US\$2.059 million in FY 2023, compared to US\$7.682 million in FY 2022;
- (ii) cash generated from “Receivables” in FY 2023 was US\$5.181 million, compared to US\$19.485 million in FY 2022;
- (iii) cash used in “Payables” in FY 2023 was US\$7.311 million, compared to US\$14.665 million in FY2022; and
- (iv) “Income tax paid” in FY 2023 was US\$0.809 million while US\$0.869 million was paid in FY 2022.

“Net cash generated from investing activities” amounted to US\$0.731 million in FY 2023, compared to US\$0.027 million in FY 2022. The “Net cash generated from investing activities” was mainly due to “Dividend received” of US\$0.446 million, “Proceeds from disposal of property, plant and equipment” of US\$0.132 million and “Interest received” of US\$0.832 million offset by the “Purchase of property, plant and equipment” of US\$0.679 million in FY 2023. Whilst in FY 2022, the “Net cash generated from investing activities” was largely attributed to “Proceeds from disposal of property, plant and equipment” of US\$0.293 million and “Interest received” of US\$0.196 million offset by the “Purchase of property, plant and equipment” of US\$0.462 million in FY 2022.

“Net cash used in financing activities” amounted to US\$2.027 million in FY 2023, compared to US\$3.388 million in FY 2022. The “Net cash used in financing activities” was largely attributed to “Repayment of lease liabilities” and “Dividend paid” of US\$1.320 million and US\$0.694 million respectively in FY 2023. Whilst in FY 2022, the “Net cash used in financing activities” was largely attributed to “Repayment of lease liabilities”, “Dividend paid” and “Proceeds on issue of bonus warrants” of US\$1.326 million, US\$2.793 million and US\$0.749 million respectively.

2H 2023 vs 2H 2022

“Net cash generated from operating activities” was US\$3.077 million in 2H 2023, compared to “Net cash used in operating activities” of US\$0.675 million in 2H 2022 largely due to:

- (i) the “Operating cash flow before working capital changes” generated cash amounted to US\$1.146 million in 2H 2023, compared to US\$0.839 million in 2H 2022;
- (ii) cash generated from “Receivables” in 2H 2023 was US\$3.995 million, compared to US\$23.146 million in 2H 2022;
- (iii) cash used in “Payables” in 2H 2023 was US\$1.340 million, compared to US\$24.252 million in 2H 2022; and
- (iv) “Income tax paid” in 2H 2023 was US\$0.445 million while US\$0.338 million was paid in 2H 2022.

“Net cash generated from investing activities” amounted to US\$0.055 million in 2H 2023, compared to US\$0.063 million in 2H 2022. The “Net cash generated from investing activities” was mainly due to “Proceeds from disposal of property, plant and equipment” of US\$0.099 million and “Interest received” of US\$0.495 million offset by the “Purchase of property, plant and equipment” of US\$0.539 million in 2H 2023. Whilst in 2H 2022, the “Net cash generated from investing activities” was mainly due to “Proceeds from disposal of property, plant and equipment” of US\$0.196 million and “Interest received” of US\$0.164 million offset by the “Purchase of property, plant and equipment” of US\$0.297 million.

“Net cash used in financing activities” amounted to US\$0.621 million in 2H 2023, compared to US\$0.711 million in 2H 2022. The “Net cash used in financing activities” was largely attributed to “Repayment of lease liabilities” of US\$0.617 million in 2H 2023. Whilst in 2H 2022, the “Net cash used in financing activities” amounted to US\$0.711 million was largely attributed to “Repayment of lease liabilities” of US\$0.734 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was disclosed to shareholders for the financial year ended 31 December 2023.

4. **A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may effect the group in the next reporting period and the next 12 months.**

After a steep slowdown in 2022 and another decline in 2023, we anticipate that the global output growth is set for a challenging time in 2024. Recent conflicts in the Middle East has heightened geopolitical risks and raised uncertainty in commodity markets, with potential adverse implications for global growth. We take cognizance of continuing headwinds, including higher-for-longer inflation and interest rates; on-going war and sanctions; weakening economies; and protracted global supply chain disruption. Both our aviation and logistics business are highly correlated to the economic and trade conditions. Nonetheless, we stay vigilant to look out for pockets of opportunities that may emerge from time to time.

5. **Dividend**

(a) **Current Financial Period Reported on**

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Final proposed
Dividend Type	Cash
Dividend Amount per ordinary Share (S\$ cents)	0.25
Tax Rate	One-tier tax exempt

The Board of Directors is pleased to recommend that, subject to shareholders' approval at the next Annual General Meeting to be convened, a final one-tier tax exempt dividend of 0.25 Singapore cent per share, in respect of financial year ended 31 December 2023.

(b) **Corresponding period of the immediate Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Final proposed
Dividend Type	Cash
Dividend Amount per ordinary Share (S\$ cents)	0.75
Tax Rate	One-tier tax exempt

(c) **Date payable**

Subject to the requisite approvals from shareholders at the annual general meeting ("AGM") of the Company to be held on or about 26 April 2024, the final dividend of 0.25 Singapore cent per share shall be paid at a later date to be determined by the Directors.

(d) **Record date**

To be announced after the said AGM on or about 26 April 2024.

6. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

As at the date of this Announcement, the Group has not obtained a general mandate from shareholders for IPTs.

7. Negative confirmation pursuant to Rule 705(5).

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results of the Group and the Company for the year ended 31 December 2023 to be false or misleading in any material aspect.

8. Confirmation by Board pursuant to rule 720(1) of the Listing Manual

The Board had received undertakings from all its directors in the format as set out in Appendix 7.7 in pursuant to Rule 720(1) of the listing manual of the Singapore Exchange Securities Trading Limited.

9. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The logistics business contributed to the reportable segment turnover. The material changes in contributions to turnover and earnings were elaborated from page 15 to 22 of this Announcement.

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Janet LC Tan	63	Sibling of Jenny Tan, who is a Director of the Company.	Chairman and Chief Executive Officer since 2003. Her responsibilities include setting the overall long-term business direction, developing business strategies, and implementing growth strategies for A-Sonic Aerospace and its subsidiaries.	No change in duties.
Tan Lay Yong Jenny	57	Sibling of Janet Tan, who is the Chairman, Chief Executive Officer and substantial shareholder of the Company.	Executive Director of the Company since 2003. Her responsibilities include overall operational, administrative management, information technology systems and human resources of the aviation business.	No change in duties.

BY ORDER OF THE BOARD

Hue Su Li
Joint Company Secretary

22 February 2024