

# A-SONIC AEROSPACE LIMITED

## PART I - INFORMATION REQUIRED FOR QUARTERLY AND FULL YEAR RESULTS ANNOUNCEMENTS

### FULL YEAR FINANCIAL STATEMENTS

- 1(a) An income statement and statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### CONSOLIDATED INCOME STATEMENT

For the fourth quarter and full financial year ended 31 December 2019

	Group			Group		
	Fourth quarter ended		Change %	Full year ended		Change %
	31 Dec 2019 US\$'000	31 Dec 2018 US\$'000		31 Dec 2019 US\$'000	31 Dec 2018 US\$'000	
<b>Revenue</b>	<b>54,388</b>	62,093	(12.4)	<b>204,908</b>	218,751	(6.3)
Other income	242	224	8.0	1,164	880	32.3
<b>Total revenue</b>	<b>54,630</b>	62,317	(12.3)	<b>206,072</b>	219,631	(6.2)
<b>Expenses</b>						
Changes in inventories	(790)	(320)	146.9	(275)	(1,735)	(84.1)
Purchases of goods and consumables used	(1,146)	(943)	21.5	(3,864)	(3,560)	8.5
Freight charges	(44,706)	(53,691)	(16.7)	(175,837)	(188,592)	(6.8)
Staff costs	(4,104)	(4,450)	(7.8)	(16,935)	(18,004)	(5.9)
Depreciation of property, plant and equipment	(466)	(194)	140.2	(1,915)	(754)	154.0
Finance costs	(68)	(16)	325.0	(275)	(238)	15.5
Other operating expenses	(1,202)	(1,923)	(37.5)	(3,713)	(6,983)	(46.8)
<b>Total costs and expenses</b>	<b>(52,482)</b>	(61,537)	(14.7)	<b>(202,814)</b>	(219,866)	(7.8)
Share of results of associated companies	(19)	223	N/M	223	1,047	(78.7)
Profit before tax	2,129	1,003	112.3	3,481	812	328.7
Taxation	(331)	(98)	237.8	(374)	(182)	105.5
<b>Profit for the period</b>	<b>1,798</b>	905	98.7	<b>3,107</b>	630	393.2
<b>Profit/(loss) attributable to:</b>						
Equity holders of the Company	1,023	786	30.2	2,533	1,481	71.0
Non- controlling interests	775	119	551.3	574	(851)	N/M
	<b>1,798</b>	905	98.7	<b>3,107</b>	630	393.2
<b>Other items :</b>						
Commission income	-	-	-	2	-	N/M
Interest income	62	82	(24.4)	321	260	23.5
Provision for liabilities written back	-	5	(100.0)	-	5	(100.0)
Sundry income	101	93	8.6	754	536	40.7
Impairment allowance for trade receivables written back	28	6	366.7	29	11	163.6
Impairment allowance for trade receivables	(128)	(167)	(23.4)	(128)	(362)	(64.6)
Impairment allowance for non- trade receivables written back	4	-	N/M	4	-	N/M
Impairment allowance for non- trade receivables	7	(100)	N/M	-	(113)	(100.0)
Foreign currency exchange (loss)/gain	(69)	(168)	(58.9)	146	(541)	N/M
Gain on disposal of property, plant and equipment	18	1	1,700.0	16	8	100.0
Bad debts recovered	-	35	(100.0)	-	35	(100.0)
Bad trade debts written off	-	(54)	(100.0)	-	(58)	(100.0)
Rental expenses	(200)	(344)	(41.9)	(458)	(1,373)	(66.6)

N/M: Not meaningful

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the fourth quarter and full financial year ended 31 December 2019

	Group			Group		
	Fourth quarter ended			Full year ended		
	31 Dec 2019	31 Dec 2018	Change	31 Dec 2019	31 Dec 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit for the period</b>	<b>1,798</b>	<b>905</b>	<b>98.7</b>	<b>3,107</b>	<b>630</b>	<b>393.2</b>
<b>Other comprehensive income:</b>						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Currency translation differences arising on consolidation	172	46	273.9	54	9	500.0
	172	46	273.9	54	9	500.0
<b>Total comprehensive income for the period</b>	<b>1,970</b>	<b>951</b>	<b>107.2</b>	<b>3,161</b>	<b>639</b>	<b>394.7</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	1,240	850	45.9	2,616	1,337	95.7
Non-controlling interests	730	101	622.8	545	(698)	N/M
<b>Total comprehensive income for the period</b>	<b>1,970</b>	<b>951</b>	<b>107.2</b>	<b>3,161</b>	<b>639</b>	<b>394.7</b>

N/M = not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**Balance Sheets**  
**31 December 2019**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	7,293	5,849	-	-
Investment in subsidiaries <sup>(1)</sup>	-	-	14,663	14,663
Investment in associated companies	91	1,527	-	-
Fair value through other comprehensive income	99	98	-	-
Deferred tax assets	9	277	-	-
	<b>7,492</b>	<b>7,751</b>	<b>14,663</b>	<b>14,663</b>
<b>Current assets</b>				
Inventories	1,262	1,537	-	-
Trade and other receivables	32,738	39,536	5	6
Contract assets	556	-	-	-
Due from subsidiaries	-	-	2,605	2,362
Due from associated companies	184	258	-	-
Tax recoverable	56	39	-	-
Cash and cash equivalents	20,856	24,473	8,983	11,278
	<b>55,652</b>	<b>65,843</b>	<b>11,593</b>	<b>13,646</b>
Non-current asset held for sale	1,140	-	-	-
	<b>56,792</b>	<b>65,843</b>	<b>11,593</b>	<b>13,646</b>
<b>Total assets</b>	<b>64,284</b>	<b>73,594</b>	<b>26,256</b>	<b>28,309</b>
<b>Non-current liabilities</b>				
Finance lease liabilities	-	578	-	-
Lease liabilities	874	-	-	-
	<b>874</b>	<b>578</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	30,177	43,420	233	278
Contract liabilities	146	-	-	-
Due to subsidiaries	-	-	3,514	6,194
Bank borrowings	4,285	4,174	2,502	2,250
Provision for liabilities	265	265	-	-
Finance lease liabilities	-	659	-	-
Lease liabilities	1,370	-	-	-
Tax payable	193	185	43	48
	<b>36,436</b>	<b>48,703</b>	<b>6,292</b>	<b>8,770</b>
<b>Total liabilities</b>	<b>37,310</b>	<b>49,281</b>	<b>6,292</b>	<b>8,770</b>
<b>Net assets</b>	<b>26,974</b>	<b>24,313</b>	<b>19,964</b>	<b>19,539</b>
<b>Equity</b>				
Share capital	51,758	51,758	51,758	51,758
Accumulated losses	(14,457)	(16,519)	(31,794)	(32,219)
Foreign currency translation reserve	(7,480)	(7,563)	-	-
Equity attributable to equity holders of the Company	<b>29,821</b>	<b>27,676</b>	<b>19,964</b>	<b>19,539</b>
Non-controlling interests	(2,847)	(3,363)	-	-
<b>Total equity</b>	<b>26,974</b>	<b>24,313</b>	<b>19,964</b>	<b>19,539</b>

Note:

(1) As at 31 December 2019 and 31 December 2018, the investment in subsidiaries comprises the cost of investment of US\$10,000,001, and an amount due from a subsidiary of US\$4,663,000, which is quasi-equity in nature.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

At 31 December 2019		At 31 December 2018	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
4,625	1,030	4,833	-

**Amount repayable after one year**

At 31 December 2019		At 31 December 2018	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
231	643	578	-

**Details of any collateral**

The group's aggregate borrowings and lease liabilities which were repayable in one year or less, or on demand, amounted to US\$4.625 million as at 31 December 2019. Of the US\$4.625 million, secured bank borrowings amounted to US\$4.285 million, and the remaining US\$0.340 million were obligations from lease liabilities secured against motor vehicles deployed for the logistics business.

The secured bank borrowings of US\$4.285 million as at 31 December 2019 comprised: (i) US\$1.782 million secured by corporate guarantee provided by the Company and a floating charge over the logistics receivables; and (ii) US\$2.503 million was secured on a leasehold property of the Group.

The Group's borrowings repayable after one year of US\$0.231 million were lease obligations secured by pledges on the motor vehicles deployed for our logistics business.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the fourth quarter and full financial year ended 31 December 2019

	Group			
	Fourth quarter ended		Full year ended	
	31 Dec 2019 US\$'000	31 Dec 2018 US\$'000	31 Dec 2019 US\$'000	31 Dec 2018 US\$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax	2,129	1,003	3,481	812
<b>Adjustments for:</b>				
Interest income	(62)	(82)	(321)	(260)
Depreciation of property, plant and equipment	466	194	1,915	754
Interest expenses	68	16	275	238
Impairment allowance for trade receivables	128	167	128	362
Impairment allowance for non-trade receivables	(7)	100	-	113
Impairment allowance for non-trade receivables written back	(4)	-	(4)	-
Impairment allowance for trade receivables written back	(28)	(6)	(29)	(11)
Gain on disposal of property, plant and equipment	(18)	(1)	(16)	(8)
Provision for liabilities written back	-	(5)	-	(5)
Share of results of associated companies	19	(223)	(223)	(1,047)
Operating cash flow before working capital changes	2,691	1,163	5,206	948
Inventories	790	320	275	1,735
Receivables	(2,835)	(2,409)	6,375	708
Payables	(2,878)	1,853	(13,313)	(1,817)
Effect of foreign exchange rate changes	234	74	145	400
Cash generated from operations	(1,998)	1,001	(1,312)	1,974
Income tax paid	2	(39)	(121)	(230)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,996)</b>	<b>962</b>	<b>(1,433)</b>	<b>1,744</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	22	1	121	11
Investment in unquoted shares	-	-	-	(95)
Dividend received from associated companies	517	-	552	246
Interest received	62	82	321	260
Restricted deposits	-	262	-	262
Purchase of property, plant and equipment	(549)	(123)	(654)	(297)
<b>Net cash generated from investing activities</b>	<b>52</b>	<b>222</b>	<b>340</b>	<b>387</b>
<b>Cash flows from financing activities</b>				
Contribution from non-controlling interest for incorporation of subsidiary	-	-	-	67
Proceeds from bank borrowings	-	-	218	322
Repayment of bank borrowings	(165)	-	(165)	(350)
Repayment of finance lease liabilities	-	(164)	-	(616)
Repayment of lease liabilities	(18)	-	(1,836)	-
Dividend unclaimed by shareholders	-	-	-	1
Dividend paid	(432)	-	(432)	-
Interest paid	(68)	(16)	(275)	(238)
<b>Net cash used in financing activities</b>	<b>(683)</b>	<b>(180)</b>	<b>(2,490)</b>	<b>(814)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,627)</b>	<b>1,004</b>	<b>(3,583)</b>	<b>1,317</b>
Cash and cash equivalents at beginning of period	23,188	23,175	24,268	23,315
Effect of foreign exchange rate changes	89	89	(35)	(364)
<b>Cash and cash equivalents at end of period <sup>(1)</sup></b>	<b>20,650</b>	<b>24,268</b>	<b>20,650</b>	<b>24,268</b>

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	19,901	23,518	19,901	23,518
- Fixed deposits	955	955	955	955
	20,856	24,473	20,856	24,473
Less: Fixed deposits restricted for use	(206)	(205)	(206)	(205)
Cash and cash equivalents per consolidated statement of cash flows	20,650	24,268	20,650	24,268

Note:

- (1) As at 31 December 2019 and 2018, Cash and cash equivalents held by the Group amounting to US\$0.206 million and US\$0.205 million respectively, were not available for use.

# Represents amount less than US\$1,000.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity, or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

## Consolidated Statement of Changes in Equity

For the Fourth quarter and Full financial year ended 31 December 2019

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 2019	51,758	(16,519)	(7,563)	27,676	(3,363)	24,313
Effect of adopting SFRS(I) 16		(39)	-	(39)	(29)	(68)
Restated as at 1 January 2019	51,758	(16,558)	(7,563)	27,637	(3,392)	24,245
Profit for the period	-	431	-	431	(181)	250
<b>Other comprehensive income</b>						
Currency translation differences on consolidation	-	-	66	66	2	68
Total comprehensive income for the period	-	431	66	497	(179)	318
<b>At 31 March 2019</b>	<b>51,758</b>	<b>(16,127)</b>	<b>(7,497)</b>	<b>28,134</b>	<b>(3,571)</b>	<b>24,563</b>
Profit/(loss) for the period	-	377	-	377	(79)	298
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-	-	(82)	(82)	(21)	(103)
Total comprehensive income/(loss) for the period	-	377	(82)	295	(100)	195
<b>Transaction with owners recorded directly in equity</b>						
Dividends declared on ordinary shares	-	(432)	-	(432)	-	(432)
	-	(432)	-	(432)	-	(432)
<b>At 30 June 2019</b>	<b>51,758</b>	<b>(16,182)</b>	<b>(7,579)</b>	<b>27,997</b>	<b>(3,671)</b>	<b>24,326</b>
Profit/(loss) for the period	-	702	-	702	59	761
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-		(118)	(118)	35	(83)
Total comprehensive income/(loss) for the period	-	702	(118)	584	94	678
<b>At 30 September 2019</b>	<b>51,758</b>	<b>(15,480)</b>	<b>(7,697)</b>	<b>28,581</b>	<b>(3,577)</b>	<b>25,004</b>
Profit for the period	-	1,023	-	1,023	775	1,798
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-		217	217	(45)	172
Total comprehensive income/(loss) for the period	-	1,023	217	1,240	730	1,970
<b>At 31 December 2019</b>	<b>51,758</b>	<b>(14,457)</b>	<b>(7,480)</b>	<b>29,821</b>	<b>(2,847)</b>	<b>26,974</b>

## Consolidated Statement of Changes in Equity

For the fourth quarter and full financial year ended 31 December 2019 (cont'd)

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 2018	51,758	(18,021)	(7,419)	26,318	(2,684)	23,634
Profit for the period	-	675	-	675	13	688
<b>Other comprehensive income</b>						
Currency translation differences on consolidation	-	-	249	249	76	325
Total comprehensive income for the period	-	675	249	924	89	1,013
<b>At 31 March 2018</b>	<b>51,758</b>	<b>(17,346)</b>	<b>(7,170)</b>	<b>27,242</b>	<b>(2,595)</b>	<b>24,647</b>
Profit/(loss) for the period	-	17	-	17	(552)	(535)
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-	-	(290)	(290)	64	(226)
Total comprehensive income/(loss) for the period	-	17	(290)	(273)	(488)	(761)
<b>At 30 June 2018</b>	<b>51,758</b>	<b>(17,329)</b>	<b>(7,460)</b>	<b>26,969</b>	<b>(3,083)</b>	<b>23,886</b>
Profit/(loss) for the period	-	3	-	3	(431)	(428)
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-	-	(167)	(167)	31	(136)
Total comprehensive income/(loss) for the period	-	3	(167)	(164)	(400)	(564)
<b>Transaction with owners recorded directly in equity</b>						
Write back of unclaimed dividend	-	1	-	1	-	1
<b>Changes in ownership interest in subsidiaries</b>						
Acquisition of interest in subsidiary without change in control	-	20	-	20	19	39
	-	20	-	20	19	39
<b>At 30 September 2018</b>	<b>51,758</b>	<b>(17,305)</b>	<b>(7,627)</b>	<b>26,826</b>	<b>(3,464)</b>	<b>23,362</b>
Profit for the period	-	786	-	786	119	905
<b>Other comprehensive income/(loss)</b>						
Currency translation differences on consolidation	-	-	64	64	(18)	46
Total comprehensive income/(loss) for the period	-	786	64	850	101	951
<b>At 31 December 2018</b>	<b>51,758</b>	<b>(16,519)</b>	<b>(7,563)</b>	<b>27,676</b>	<b>(3,363)</b>	<b>24,313</b>

## Statement of Changes in Equity

For the fourth quarter and full financial year ended 31 December 2019

THE COMPANY	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2019	51,758	(32,219)	19,539
Profit and total comprehensive income for the period	-	76	76
<b>At 31 March 2019</b>	<b>51,758</b>	<b>(32,143)</b>	<b>19,615</b>
Profit and total comprehensive income for the period	-	78	78
<b>Transaction with owners recorded directly in equity</b>			
Dividends declared on ordinary shares	-	(432)	(432)
<b>At 30 June 2019</b>	<b>51,758</b>	<b>(32,497)</b>	<b>19,261</b>
Profit and total comprehensive income for the period	-	117	117
<b>At 30 September 2019</b>	<b>51,758</b>	<b>(32,380)</b>	<b>19,378</b>
Profit and total comprehensive income for the period	-	586	586
<b>At 31 December 2019</b>	<b>51,758</b>	<b>(31,794)</b>	<b>19,964</b>

THE COMPANY	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2018	51,758	(32,986)	18,772
Profit and total comprehensive profit for the period	-	13	13
<b>At 31 March 2018</b>	<b>51,758</b>	<b>(32,973)</b>	<b>18,785</b>
Profit and total comprehensive income for the period	-	147	147
<b>At 30 June 2018</b>	<b>51,758</b>	<b>(32,826)</b>	<b>18,932</b>
Profit and total comprehensive income for the period	-	76	76
<b>Transaction with owners recorded directly in equity</b>			
Write back of unclaimed dividend	-	1	1
<b>At 30 September 2018</b>	<b>51,758</b>	<b>(32,749)</b>	<b>19,009</b>
Profit and total comprehensive income for the period	-	530	530
<b>At 30 December 2018</b>	<b>51,758</b>	<b>(32,219)</b>	<b>19,539</b>



- 1(d)(ii)** Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The following table shows movements in the issued ordinary shares of the Company :

	Fourth quarter ended	
	31 Dec 2019	31 Dec 2018
Balance at beginning and end of period	<u>58,479,296</u>	<u>58,479,296</u>

- 1d(iii)** To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at 31 December 2019 and 31 December 2018 were 58,479,296.

- 1d(iv)** A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as there were no treasury shares issued by the Company.

- 1d(v)** A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as there was no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2019.

- 2.** Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by the Company's auditors.

- 3.** Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

- 3A.** Where the latest financial statements are subject to and adverse opinion, qualified opinion or disclaimer of opinion:-

- (a)** Updates on the efforts taken to resolve each outstanding audit issue.

The Company did not have any outstanding audit issue.

- (b)** Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest financial statements are not subject to adverse opinion, qualified opinion nor disclaimer of opinion.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statement for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2018.

**5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well the reasons for, and the effect of, the change.**

SFRS(I) 16 Leases requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopted the SFRS(I) 16 Leases retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening accumulated losses at the date of initial application, 1 January 2019.

On the adoption of SFRS(I) 16 Leases, the Group has chosen, on a lease-by-lease basis, to measure the right-of use asset at its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019.

In applying SFRS(I) 16, the Group elected the practical expedient to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019.

On the adoption of SFRS(I) 16, the Group recognised right-of-use assets of US\$1.689 million and lease liabilities of US\$1.757 million for its leases previously classified as operating leases, with a corresponding increase in the opening accumulated losses US\$0.039 million and non-controlling interests of US\$0.029 million as of 1 January 2019. The Group has adopted the modified retrospective approach on the adoption of SFRS(I) 16.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group		Group	
	Fourth quarter ended		Full year ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Profit after tax attributable to equity holders of the Company (US\$'000)	1,023	786	2,533	1,481
Weighted average number of ordinary shares (in '000)	58,479	58,479	58,479	58,479
Earnings per share (US cents):				
Basic <sup>(1)</sup>	1.75	1.34	4.33	2.53
Diluted <sup>(1)</sup>	1.75	1.34	4.33	2.53

7. **Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec</b>	31 Dec	<b>31 Dec</b>	31 Dec
	<b>2019</b>	2018	<b>2019</b>	2018
Net asset value per share based on existing issued share capital at the end of period/year (US cents) <sup>(1) (2)</sup>	<b>50.99</b>	47.33	<b>34.14</b>	33.41

Notes:

- (1) The above computation of net asset value per share excludes non-controlling interests. Including non-controlling interests, the net asset value per share for the Group as at 31 December 2019 and 31 December 2018 would have been 46.13 US cents and 41.58 US cents per share respectively.
- (2) Computed based on 58,479,296 ordinary shares in issue as at 31 December 2019 and 31 December 2018.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) **any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.**

## **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 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 31 December 2019.

Our aviation business relates to the sale 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.

## **FINANCIAL HIGHLIGHTS**

In many aspects, 2019 year was a challenging year. The global macro-economics and geo-political environment were fraught with continuous news of trade war and risk of global economic downturn. Despite this backdrop, our business performance ended on a positive note.

We achieved a consolidated “Profit Before Tax” of US\$3.481 million in financial year (“FY”) 2019, an increase of 3.29 times (or 328.7%) compared to US\$0.812 million in FY 2018.

Our consolidated “Profit Attributable to Equity Shareholders of Parent Company” was US\$2.533 million in FY 2019, up US\$1.052 million or 71.0%, from US\$1.481 million in FY 2018.

Our consolidated “Net Tangible Assets (Excluding Non-Controlling Interest)” or “Net Book Value” stood at US\$29.821 million (or equivalent to S\$40.160 million) as at 31 December 2019.

The table below highlights our Group's higher earnings in FY 2019 and net tangible assets as at end FY 2019, compared to FY 2018:

		FY 2018	FY 2019	Change +/- (Percentage)
(i)	Profit Before Tax ( <b>US\$'000</b> )	: 812	3,481	+328.7%
(ii)	Profit After Tax ( <b>US\$'000</b> )	: 630	3,107	+393.2%
(iii)	Net Profit Attributable to Equity Shareholders ( <b>US\$'000</b> )	: 1,481	2,533	+71.0%
(iv)	Earnings Per Share ("EPS") (Equivalent <b>S\$ cents</b> ) <sup>(1)</sup>	: 3.4	5.9	+73.5%
(v)	Net Tangible Assets (Attributable to Equity Holders of the Company) ("NTA") ( <b>US\$'000</b> )	: 27,676	29,821	+7.8%
	(Equivalent <b>S\$'000</b> )	: 37,758 <sup>(2)</sup>	40,160 <sup>(3)</sup>	+6.4%
(vi)	NTA/share ( <b>S\$ cents</b> )	: 64.6	68.7	+6.3%
(vii)	Historical Price Earnings Ratio (Historical) <sup>(4)</sup>	: 9.3	5.3	N.A. <sup>(6)</sup>
(viii)	Share Price at Discount to NTAB <sup>(5)</sup>	: 51.2%	54.1%	N.A. <sup>(6)</sup>

Notes:

(1) Based on "Profit After Tax Attributable to Equity Holders of the Company" FY 2018 and FY 2019.

(2) Based on foreign currency exchange rate on 31 December 2018 (US\$1=S\$1.3643).

(3) Based on foreign currency exchange rate on 31 December 2019 (US\$1=S\$1.3467).

(4) Share price was based on the closing market price of S\$0.315 on 27 February 2020, the date immediately preceding this announcement, and earnings was based on "Profit After Tax Attributable to Equity Holders of the Company".

(5) Share price was based on closing market price of S\$0.315 on 27 February 2020, the date immediately preceding this announcement.

(6) N.A. = Not applicable

In summary, all three operating business units achieved profits in FY 2019:

- (i) Our aviation business unit registered "Profit Attributable to Equity Holders of the Company" of US\$0.097 million in FY 2019; and
- (ii) "A-Sonic Logistics" business unit recorded "Profit Attributable to Equity Holders of the Company" of US\$1.971 million in FY 2019; and
- (iii) "UBI Logistics" business unit recorded "Profit Attributable to Equity Holders of the Company" of US\$0.465 million in FY 2019.

## INCOME STATEMENT

### Revenue

#### FY 2019 vs FY 2018

Our Group's "Total revenue" comprises "Turnover" and "Other income". Our Group's "Total revenue" declined US\$13.559 million (6.2%) to US\$206.072 million in FY 2019, compared to US\$219.631 million in FY2018. "Total revenue" declined owing to a decrease of US\$13.843 million in our "Turnover" in FY 2019.

Our Group "Turnover" decreased US\$13.843 million (6.3%) to US\$204.908 million in FY 2019, compared to US\$218.751 million in FY 2018 due to:

- (i) lower (US\$11.247 million) logistics "Turnover" to US\$199.744 million in FY 2019, compared to US\$210.991 million in FY 2018. Logistics "Turnover" decreased primarily due to lower business volume and freight rates, as a result of weaker global market conditions in FY 2019, especially the fourth (4<sup>th</sup>) quarter of 2019. Our logistics business experienced an unusually soft fourth (4<sup>th</sup>) quarter in FY 2019 as elaborated in the section below entitled "4<sup>th</sup> Qtr 2019 vs 4<sup>th</sup> Qtr 2018"; and
- (ii) lower (US\$2.596 million) aviation "Turnover" to US\$5.164 million in FY 2019, compared to US\$7.760 million in FY 2018.

Our aviation business contributed 2.5% (US\$5.164 million) of our Group "Turnover" in FY 2019, and our logistics business unit contributed 97.5% (US\$199.744 million).

"Other income" increased US\$0.284 million (32.3%) to US\$1.164 million in FY 2019, compared to US\$0.880 million in FY 2018. The increase in "Other income" in FY 2019 was mainly due to higher (US\$0.218 million) "Sundry income".

#### 4<sup>th</sup> Qtr 2019 vs 4<sup>th</sup> Qtr 2018

Our "Total revenue" decreased US\$7.687 million (12.3%) to US\$54.630 million in the fourth quarter ended 31 December 2019 ("**4Q 2019**"), compared to US\$62.317 million in the corresponding period in 2018 ("**4Q 2018**"). Lower "Total revenue" in 4Q 2019 was largely attributable to a decrease of US\$7.979 million in the logistics "Turnover", primarily due to lower business volume and freight rates. Our logistics business was adversely affected by the global macro-economics and geo-political environment, which were fraught with continuous news of trade war and risk of global economic downturn.

"Other income" increased US\$0.018 million (8.0%) to US\$0.242 million in 4Q 2019, compared to US\$0.224 million in 4Q 2018. An increase in "Other income" was mainly due to higher (US\$0.017 million) "Gain on disposal of property, plant and equipment".

#### 4<sup>th</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2019

"Total revenue" increased US\$5.472 million to US\$54.630 million in 4Q 2019, compared to US\$49.158 million in the third quarter ended 31 December 2019 ("**3Q 2019**"). Higher "Total revenue" in 4Q 2019 was substantially due to higher (US\$3.054 million) logistics "Turnover"; and an increase (US\$2.379 million) in aviation "Turnover".

"Other income" increased US\$0.039 million to US\$0.242 million in 4Q 2019 compared to US\$0.203 million in 3Q 2019, mainly due to "Impairment allowance for trade receivables written back" of US\$0.028 million.

## **Total Costs and Expenses**

### **FY 2019 vs FY 2018**

Our “Total costs and expenses” declined 7.8% (US\$17.052 million) to US\$202.814 million in FY 2019, compared to US\$219.866 million in FY 2018, mainly due to:

- (i) a decrease of US\$12.755 million in “Freight charges” to US\$175.837 million in FY 2019, compared to US\$188.592 million in FY 2018. The decline of US\$12.755 million in “Freight charges” was in line with the lower (US\$11.247 million) logistics “Turnover”;
- (ii) a reduction of US\$3.270 million in “Other operating expenses” to US\$3.713 million in FY 2019, compared to US\$6.983 million in FY 2018. The reduction was mainly due to:
  - (a) lower (US\$0.915 million) “Rental expenses” of US\$0.458 million in FY 2019, compared to US\$1.373 million in FY 2018, as a result of the application of SFRS(I) 16 Leases;
  - (b) a positive (US\$0.687 million) swing in “Foreign currency exchange gain” to US\$0.146 million in FY 2019, from a “Foreign currency exchange loss” of US\$0.541 million in FY 2018; and
  - (c) lower (US\$0.234 million) “Impairment allowance for trade receivables” to US\$0.128 million in FY 2019, compared to US\$0.362 million in FY 2018; and
  - (d) Lower (US\$0.410 million) “Legal and professional fees” and (US\$0.851 million) in “General and other expenses” including entertainment expenses, travelling expenses and office expenses.
- (iii) lower (US\$1.460 million) “Change in inventories” in FY 2019 of US\$0.275 million due to one (1) engine sold in FY 2019, compared to US\$1.735 million due to the sale of aircraft in FY 2018; and
- (iv) lower in “Staff costs” of US\$1.069 million in FY 2019, largely due to the reduction in headcount in USA and North Asia.

The above costs reductions in FY 2019 were partially offset by an increase (US\$1.161 million) in “Depreciation of property, plant and equipment” to US\$1.915 million, compared to US\$0.754 million in FY 2018, as a result of the application of SFRS(I) 16 Leases.

### **4<sup>th</sup> Qtr 2019 vs 4<sup>th</sup> Qtr 2018**

“Total costs and expenses” declined US\$9.055 million to US\$52.482 million in 4Q 2019, compared to US\$61.537 million in 4Q 2018. The decline was largely due to:

- (i) lower (US\$8.985 million) “Freight charges” of US\$44.706 million in 4Q 2019, compared to US\$53.691 million in 4Q 2018. The reduction in “Freight charges” was in line with the lower logistics “Turnover” of US\$7.979 million in 4Q 2019, compared to 4Q 2018, as elaborated in the first paragraph of the section titled “**Revenue**” for “**4<sup>th</sup> Qtr 2019 vs 4<sup>th</sup> Qtr 2018**” at page 13;
- (ii) lower (US\$0.721 million) “Other operating expenses” was mainly due to: (a) lower legal fees provision (US\$0.139 million); (b) lower “Foreign currency exchange loss” of US\$0.099 million; (c) lower “Rental expenses” (US\$0.144 million) resulting from application of SFRS(I) 16 Leases; (d) lower (US\$0.160 million) “General and other expenses” which included entertainment and travelling expenses; and (e) absence of “Bad trade debts written off” of US\$0.054 million; and
- (iii) reduction (US\$0.346 million) in staff cost to US\$4.104 million in 4Q 2019, compared to US\$4.450 million in 4Q 2018. This was largely due to lower head count in USA and North Asia.

The above reduction in “Total costs and expenses” were, however, partially offset by:

- (i) higher (US\$0.470 million) “Changes in inventories” incurred by the aviation business unit, resulting from a newer model of engine sold in 4Q 2019 compared to an older model of engine sold in 4Q 2018;
- (ii) higher (US\$0.203 million) “Purchase of goods and consumable used” incurred by the aviation business unit, resulting from customised works performed on the new model of engine; and
- (iii) higher (US\$0.272 million) “Depreciation of property, plant and equipment” as a result of the application of SFRS(I) 16 Leases.

#### **4<sup>th</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2019**

We recorded “Total costs and expenses” of US\$52.482 million in 4Q 2019, an increase of US\$3.950 million (8.1%) from US\$48.532 million in 3Q 2019. Higher “Total costs and expenses” was largely due to:

- (i) an increase (US\$1.472 million) in “Freight charges” to US\$44.706 million in 4Q 2019, compared to US\$43.234 million in 3Q 2019. The increase was in line with the increase in logistics “Turnover” of US\$3.054 million in 4Q 2019;
- (ii) an increase (US\$1.098 million) in “Purchase of goods and consumable goods” to US\$1.146 million in 4Q 2019, compared to US\$0.048 million in 3Q 2019, which was incurred by the aviation business unit to perform customised works on the new model of engine; and
- (iii) higher (US\$0.838 million) in “Changes in inventories” to US\$0.790 million in 4Q 2019, compared to (US\$0.048) million in 3Q 2019, which was incurred by the aviation business unit on newer model of engine sold in 4Q 2019 while work-in-progress relating to this model was recognized as “Inventories” in 3Q 2019.

#### **Gross Profit**

##### **FY 2019 vs FY 2018**

Our “Gross profit” was computed based on “Turnover” less “Changes in inventories”, “Purchases of goods and consumables used” and “Freight charges”. Despite a decline (US\$13.843 million) in “Turnover” to US\$204.908 million, “Gross profit” increased US\$0.068 million (0.3%) to US\$24.932 million in FY 2019, compared to US\$24.864 million in FY 2018. The improvement was achieved largely due to higher yield achieved in North Asia.

##### **4<sup>th</sup> Qtr 2019 vs 4<sup>th</sup> Qtr 2018**

“Gross profit” increased 8.5% (US\$0.607 million) to US\$7.746 million in 4Q 2019, compared to US\$7.139 million in 4Q 2018. Despite lower (US\$7.705 million) “Turnover”, “Gross profit” increased (US\$0.607 million) to US\$7.746 million in 4Q 2019, compared to US\$7.139 million in 4Q 2018. Higher yield was achieved in North Asia.

##### **4<sup>th</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2019**

We recorded a “Gross profit” of US\$7.746 million in 4Q 2019, an increase of US\$2.025 million (35.4%) compared to US\$5.721 million in 3Q 2019. The increase in “Gross profit” in 4Q 2019, compared to 3Q 2019 was largely due to: (i) higher “Turnover” for both “Aviation” and “Logistics” of US\$2.379 million and US\$3.054 million, respectively in 4Q 2019, compared to 3Q 2019; and (ii) higher yield achieved in North Asia.

#### **Net Profit/(Loss) attributable to equity holders of the Company**

##### **FY 2019 vs FY 2018**

Our Group recorded “Profit attributable to equity holders of the Company” of US\$2.533 million in FY 2019, compared to US\$1.481 million in FY 2018. The higher earnings in FY 2019 was because all three business units recorded “Profit attributable to equity holders of the Company”:

- (i) “Aviation” business recorded US\$0.097 million; and
- (ii) “A-Sonic Logistics” business recorded US\$1.971 million; and
- (iii) “UBI Logistics” business recorded US\$0.465 million.

##### **4<sup>th</sup> Qtr 2019 vs 4<sup>th</sup> Qtr 2018**

Our Group registered higher (US\$0.237 million) “Profit attributable to equity holders of the Company” of US\$1.023 million in 4Q 2019, compared to US\$0.786 million in 4Q 2018.

Our logistics business unit achieved an increase of US\$0.733 million in “Profit attributable to equity holders of the Company” to US\$0.993 million in 4Q 2019, instead of US\$0.260 million in 4Q 2018.

The above logistics earnings increment was, however, pared by the lower (US\$0.496 million) aviation “Profit attributable to equity holders of the Company” to US\$0.030 million in 4Q 2019, from US\$0.526 million in 4Q 2018.



#### 4<sup>th</sup> Qtr 2019 vs 3<sup>rd</sup> Qtr 2019

We achieved higher (US\$0.321 million) “Profit attributable to equity holders of the Company” of US\$1.023 million in 4Q 2019, compared to US\$0.702 million in 3Q 2019, due to an increase (US\$0.168 million) in earnings by the logistics business unit; and a positive change of US\$0.153 million recorded by the aviation business unit.

### **BALANCE SHEET**

#### Non-current assets

The Group’s “Non-current assets” decreased 3.3% (US\$0.259 million) to US\$7.492 million as at 31 December 2019 (“FY 2019”), compared to US\$7.751 million as at 31 December 2018 (“FY 2018”). The decline was due to the reclassification of “Investment in associated companies” amounted to US\$1.140 million as “Non-current asset held for sale” in FY 2019, as a result of potential disposal of an associated company. This decline was partially mitigated by the increase (US\$1.444 million) in “Property, plant and equipment”, as a result of the introduction of the new accounting standard, SFRS(I) 16 Leases, which took effect on 1 January 2019.

#### Current assets

“Current assets” declined US\$9.051 million to US\$56.792 million as at 31 December 2019, compared to US\$65.843 million as at 31 December 2018. “Current assets” declined largely owing to:

- (i) a decrease of US\$6.798 million in “Trade and other receivables” to US\$32.738 million as at 31 December 2019, compared to US\$39.536 million as at 31 December 2018. The reduction in “Trade and other receivables” as at 31 December 2019, was largely due to lower (US\$7.979 million) logistics “Turnover” in 4Q 2019, compared to 4Q 2018; and
- (ii) a decrease of US\$3.617 million in “Cash and cash equivalents” to US\$20.856 million as at 31 December 2019, compared to US\$24.473 million as at 31 December 2018. The “Cash and cash equivalents” was mainly deployed to reduce “Trade and other payables”, which declined US\$13.243 million to US\$30.177 million as at end FY 2019, from US\$43.420 million as at end FY 2018.

#### Non-current liabilities

“Non-current liabilities” comprising our “Finance lease liabilities” and “Lease liabilities” increased US\$0.296 million to US\$0.874 million as at 31 December 2019 as a result of the introduction of the new accounting standard, SFRS(I) 16 Leases, which took effect on 1 January 2019.

#### Current liabilities

“Current liabilities” declined US\$12.267 million to US\$36.436 million as at 31 December 2019, from US\$48.703 million as at the end of FY 2018, virtually due to a reduction of US\$13.243 million in “Trade and other payables” to US\$30.177 million as at 31 December 2019. The reduction in “Trade and other payables” was:

- (i) partly due to lower business conducted in 4Q 2019, compared to 4Q 2018 as elaborated in paragraph (ii) of the above section entitled “Current assets”; and
- (ii) partial payment made to our creditors.

The above reduction in “Current liabilities” was however offset by:

- (i) an increase (US\$0.146 million) in “Contract liabilities”, which was related to advance consideration received from customers, billing in excess of revenue recognized to-date and deferred revenue for logistics business unit; and
- (ii) an increase (US\$1.370 million) in “Lease liabilities” to US\$1.370 million and was partially offset by a decrease (US\$0.659 million) in “Finance lease liabilities” from US\$0.659 million in FY 2018, as a result of the application of new accounting standard, SFRS(I) 16 Leases, which took effect on 1 January 2019.



### Net asset and Equity

Excluding “Non-controlling interests”, our “Equity attributable to equity holders of the Company” stood at US\$29.821 million as at 31 December 2019, an increase of US\$2.145 million (7.8%), compared to US\$27.676 million as at 31 December 2018. Our net tangible assets strengthened US\$2.145 million to US\$29.821 million as at end FY 2019 largely due to the Group’s “Profit attributable to equity holders of the Company” of US\$2.533 million in FY 2019. This increase was, however, partially offset by Dividends declared and paid for the financial year ended 31 December 2018 which amounted to US\$0.432 million.

The Group’s gearing based on total “Bank borrowings”, “Finance lease liabilities” and “Lease liabilities” to “Equity attributable to equity holders of the Company” increased to 21.9% as at 31 December 2019, compared to 19.6% as at the 31 December 2018. This increase in gearing ratio was mainly due to the application of new accounting standard, SFRS(I) 16 Leases, which lease liability had been recognised. This new SFRS took effect on 1 January 2019. Had it not been for the new accounting standard, the Group’s gearing ratio would have been 16.3% as at end FY 2019.

## **CASH FLOW**

### FY 2019 vs FY 2018

“Net cash used in operating activities” was US\$1.433 million in FY 2019, compared to “Net cash generated from operating activities” of US\$1.744 million in FY 2018 largely due to:

- (i) The “Operating cash flow before working capital changes” generated cash amounted to US\$5.206 million in FY 2019, compared to cash generated from “Operating cash flow before working capital changes” of US\$0.948 million in FY 2018; The increase was mainly due to:-
  - (a) “Profit before tax” of US\$3.481 in FY 2019 compared to US\$0.812 million in FY2018; and
  - (b) “Depreciation of property, plant and equipment” of US\$1.915 million in FY2019 compared to US\$0.754 million in FY2018 as a result of the application of new accounting standard, SFRS(I) 16 Leases.

However the increase above pared by the reduction in “Share of results of associated companies” of US\$0.824 million from US\$1.047 million to US\$0.223 million in FY 2019;

- (ii) Cash used in “Payables” in FY 2019 was US\$13.313 million, while cash used in “Payables” in FY 2018 was US\$1.817 million largely due to our subsidiary in the Republic of China which utilized a greater portion of its cash to reduce its “Payables”. As a result our “Trade and other payables” in our Balance Sheet elaborated in the section entitled “Current liabilities” on page 16 reduced to US\$30.177 million as at end FY 2019, compared to US\$43.420 million as at FY2018;
- (iii) Cash generated from “Inventories” in FY 2019 was US\$0.275 million while cash generated from “Inventories” in FY 2018 was US\$1.735 million;
- (iv) Cash generated from “Receivables” in FY 2019 was US\$6.375 million compared to US\$0.708 million generated from “Receivables” in FY 2018; and
- (v) “Income tax paid” in FY 2019 was US\$0.121 million while US\$0.230 million was paid in FY 2018.

“Net cash generated from investing activities” amounted to US\$0.340 million in FY 2019, compared to “Net cash generated from investing activities” of US\$0.387 million in FY 2018. The “Net cash generated from investing activities” in FY 2019 was mainly due to US\$0.552 million of “Dividend received from associated companies”, US\$0.321 million of “Interest received” and US\$0.121 million of “Proceeds from disposal of property, plant and equipment” and was partially offset by US\$0.654 million used for “Purchase of property, plant and equipment”. Whilst in FY 2018, the “Net cash generated from investing activities” mainly comprised of US\$0.246 million of “Dividend received from associated companies”, US\$0.260 million of “Interest received” and a decrease of US\$0.262 million in “Restricted deposits”. However, these cash flows were partially offset by “Purchase of property, plant equipment” and “Investment in unquoted shares” of US\$0.297 million and US\$0.095 million respectively in FY 2018.

“Net cash used in financing activities” amounted to US\$2.490 million in FY 2019, compared to “Net cash used in financing activities” of US\$0.814 million in FY 2018. The “Net cash used in financing activities” was largely attributed to “Repayment of lease liabilities”, “Repayment of bank borrowings”, “Dividend paid” and “Interest paid” of US\$1.836 million, US\$0.165 million, US\$0.432 million and US\$0.275 million respectively in FY 2019. These cash outflows were partially offset by the “Proceeds from bank borrowings” amounted to US\$0.218 million in FY 2019. Whilst in FY 2018, the “Net cash used in financing activities” was largely attributed to “Repayment of bank borrowings”, “Repayment of finance lease liabilities” and “Interest paid” of US\$0.350 million, US\$0.616 million and US\$0.238 million respectively. However, the “Net cash used in financing activities” was partially offset by the “Proceeds from bank borrowings” and “Contribution from non-controlling interest for incorporation of subsidiary” amounted to US\$0.322 million and US\$0.067 million respectively in FY 2018.

#### 4<sup>th</sup> Qtr 2019 vs 4<sup>th</sup> Qtr 2018

The “Net cash used in operating activities” in 4Q 2019 of US\$1.996 million was largely due to cash used in “Receivables” of US\$2.835 million and “Payables” of US\$2.878 million, and was partially offset by cash generated from “Inventories” of US\$0.790 million. Whilst in 4Q 2018, “Net cash generated from operating activities” of US\$0.962 million comprised of cash generated from “Payables” of US\$1.853 million and “Inventories” of US\$0.320 million, and was partially offset by cash used in “Receivables” of US\$2.409 million.

In 4Q 2019, “Net cash generated from investing activities” was US\$0.052 million was mainly due to “Dividend received from associated companies” and “Interest received” of US\$0.517 million and US\$0.062 million respectively. However, “Net cash generated from investing activities” was partially offset by “Purchase of property, plant and equipment” of US\$0.549 million in 4Q 2019. “Net cash generating from investing activities” in 4Q 2018 was US\$0.222 million, mainly due to “Interest received” of US\$0.082 million and decrease in “Restricted deposits” of US\$0.262 million. However, it was partially offset by “Purchase of property, plant and equipment” of US\$0.123 million.

“Net cash used in financing activities” in 4Q 2019 was US\$0.683 million, compared to “Net cash used in financing activities” of US\$0.180 million in 4Q 2018. The “Net cash used in financing activities” was largely attributed to “Repayment of lease liabilities”, “Dividend paid” and “Repayment of bank borrowings” of US\$0.018 million, US\$0.432 million and US\$0.165 million respectively in 4Q 2019. In 4Q 2018, “Net cash used in financing activities” was attributed to “Repayment of finance lease liabilities” of US\$0.164 million and “Interest paid” of US\$0.016 million.

9. **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 had been disclosed to shareholders in the financial year ended 31 December 2019.

10. **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.**

In 2019, the global trade growth declined against a backdrop of trade policy uncertainty and weakening financial market sentiment. Our logistics business encountered a weaker fourth (4<sup>th</sup>) quarter in 2019 in term of business “Turnover”, compared to other previous financial years, indicating economic a softer market conditions. With the even softer world economy as we start the year 2020, we expect strong headwinds in 2020 for both businesses, aviation and logistics.

11. **Dividend**

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended) in the current financial period reported on:**

The Directors are pleased to recommend a final dividend of 1 Singapore cent per share one-tier tax exempt in respect of the financial year ended 31 December 2019 for approval by shareholders at the next Annual General Meeting to be convened.

- (b) i) **Amount per share (in cents)**  
1 Singapore cent per share.
- ii) **Previous corresponding period (in cents)**  
1 Singapore cent per share.

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per ordinary Share (S\$)	1 cent
Tax Rate	One-tier tax exempt

- (d) **The date the dividend is payable.**

The date the dividend is payable is to be announced.

- (e) **The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

The book closure date is to be announced.

12. **If no dividend has been declared/recommended, a statement to that effect.**

Please refer to item 11 above.

13. **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.

14. **Negative confirmation pursuant to Rule 705(5).**

Not required for announcement on full year results.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers.**

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

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

16. **Segmental revenue and results for the business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business Segments - Group**

Segmental reporting for FY 2019

	<b>Aviation</b>		<b>Logistics</b>		<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Turnover from reportable segments	<b>5,164</b>	<b>7,760</b>	<b>199,744</b>	<b>210,991</b>	<b>204,908</b>	<b>218,751</b>
Interest income	<b>262</b>	<b>232</b>	<b>59</b>	<b>28</b>	<b>321</b>	<b>260</b>
Finance costs	<b>(75)</b>	<b>(61)</b>	<b>(200)</b>	<b>(177)</b>	<b>(275)</b>	<b>(238)</b>
Depreciation of property, plant and equipment	<b>(81)</b>	<b>(106)</b>	<b>(1,834)</b>	<b>(648)</b>	<b>(1,915)</b>	<b>(754)</b>
Share of results of associated companies	<b>-</b>	<b>-</b>	<b>223</b>	<b>1,047</b>	<b>223</b>	<b>1,047</b>
Taxation expenses	<b>(34)</b>	<b>(49)</b>	<b>(340)</b>	<b>(133)</b>	<b>(374)</b>	<b>(182)</b>
Reportable segment profit/(loss)	<b>97</b>	<b>1,268</b>	<b>3,010</b>	<b>(638)</b>	<b>3,107</b>	<b>630</b>
<b>Other material non-cash items:</b>						
Impairment allowance for non-trade receivables written back	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>-</b>
Impairment allowance for trade receivables written back	<b>-</b>	<b>-</b>	<b>29</b>	<b>11</b>	<b>29</b>	<b>11</b>
Provision for liabilities written back	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>
Impairment allowance for trade trade receivables	<b>-</b>	<b>-</b>	<b>-</b>	<b>(113)</b>	<b>-</b>	<b>(113)</b>
Impairment allowance for trade receivables	<b>-</b>	<b>-</b>	<b>(128)</b>	<b>(362)</b>	<b>(128)</b>	<b>(362)</b>
<b>Segment assets</b>	<b>12,459</b>	<b>14,994</b>	<b>51,825</b>	<b>58,600</b>	<b>64,284</b>	<b>73,594</b>
<b>Expenditure in non-current assets</b>						
Property, plant and equipment	<b>2</b>	<b>8</b>	<b>719</b>	<b>550</b>	<b>721</b>	<b>558</b>
<b>Segment liabilities</b>	<b>3,115</b>	<b>5,249</b>	<b>34,195</b>	<b>44,032</b>	<b>37,310</b>	<b>49,281</b>

## Geographical Segments – Group

	Turnover for reportable segments	
	FY 2019	FY 2018
	US\$'000	US\$'000
The People Republic of China (including Hong Kong S.A.R)	148,232	155,548
Australia	9,192	15,222
Other countries	47,484	47,981
Total	204,908	218,751

	Non-current assets for reportable segments	
	FY 2019	FY 2018
	US\$'000	US\$'000
Singapore	2,841	3,297
USA	2,070	1,818
Other countries	2,572	2,359
Total	7,483	7,474

17. 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 aviation business contributed to approximately 2.5% of our Group's turnover, and logistics business contributed to the balance 97.5% of the total reportable segment turnover. The material changes in contributions to turnover and earnings were elaborated from page 13 to 16 of the Announcement.

18. A breakdown of sales as follows:-

	Full year ended 31 Dec 2019 US\$'000	Full year ended 31 Dec 2018 US\$'000	% increase
a) Sales reported for first half year	101,565	100,281	1.3%
b) Operating profit after tax before deducting non-controlling interests reported for first half year	548	153	258.2%
c) Sales reported for second half year	103,343	118,470	-12.8%
d) Operating profit after tax before deducting non-controlling interests reported for second half year	2,559	477	436.5%

N/M : not meaningful

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest full year (S\$)*	Previous full year (S\$)
Ordinary	584,793	584,793
Preference	-	-
Total	584,793	584,793

\*Estimated based on 58,479,296 ordinary shares in issue.

20. 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	59	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 changes in duties.
Tan Lay Yong Jenny	53	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 changes in duties.

**BY ORDER OF THE BOARD**

Loo Keat Choon  
Joint Company Secretary

28 February 2020