A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

RESPONSE TO SGX QUERIES

The Board of Directors of A-Sonic Aerospace Limited (the "Company") wishes to announce that Singapore Exchange Securities Trading Limited ("SGX-ST") raised the following queries on 17 May 2018 in relation to the first quarter financial statements ended 31 March 2018 ("1Q 2018") of the Company and its subsidiaries:

a) SGX Query

The Exchange referred to Appendix 7.2 paragraph 1(d)(v). Please provide a statement showing all sales, transfers, cancellation, and/or use of subsidiary holdings as at the end of the current financial period reported on.

Company's response

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 March 2018.

b) SGX Query

The Exchange referred to page 3 of the financial results and noted that there was a decrease in "Trade and other payables" by US$14.377 million as at 31 March 2018 as compared to 31 December 2017. Please elaborate on the reason(s) for the decrease.

Company's response

"Trade and other payables" declined US$14.377 million from US$45.237 million as at 31 December 2017 to US$30.860 million as at 31 March 2018, primarily due to:

(i) Lower monthly average sales in 1Q 2018, compared to 4Q 2017. As elaborated in the section entitled "Revenue" "1st Qtr 2018 vs 4th Qtr 2017" on page 13, the lower logistics "Turnover" of US$11.981 million (20.8%) in 1Q 2018 compared to 4Q 2017, was due to lower cargo traffic after the festive seasons, such as Thanksgiving, Christmas and New Year, that occurred in the fourth (4th) quarter of the calendar year; and

(ii) After the peak season of 4Q 2017," Account receivables" were collected, and hence payments were made in 1Q 2018 to our vendors, resulting lower "Trade and other payables" as at 31 March 2018.

ISSUED BY ORDER OF THE BOARD

Loo Hoe Soon
Joint Company Secretary
17 May 2018