

**Condensed Interim Financial Statements
For the second half and full year ended
31 December 2021**

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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 2021**

	Note	Group		Change	Group		Change
		Second half year ended			Full year ended		
		31 Dec 2021 US\$'000	31 Dec 2020 US\$'000		31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	
Turnover	5	267,072	144,131	85.3	459,648	262,928	74.8
Other income		605	1,657	(63.5)	1,422	6,499	(78.1)
Total revenue		267,677	145,788	83.6	461,070	269,427	71.1
Expenses							
Purchases of goods and consumables used		-	(5)	N/M	-	(5)	N/M
Freight charges		(242,834)	(129,002)	88.2	(417,602)	(236,940)	76.2
Staff costs		(13,188)	(9,289)	42.0	(23,829)	(17,012)	40.1
Depreciation of property, plant and equipment		(792)	(834)	(5.0)	(1,589)	(1,800)	(11.7)
Finance costs		(23)	(44)	(47.7)	(50)	(133)	(62.4)
Other operating expenses		(4,683)	(3,835)	22.1	(7,451)	(5,633)	32.3
Total costs and expenses		(261,520)	(143,009)	82.9	(450,521)	(261,523)	72.3
Share of results of associated companies		54	(7)	N/M	103	16	543.8
Profit before tax	8	6,211	2,772	124.1	10,652	7,920	34.5
Taxation	7	(1,153)	(235)	390.6	(1,550)	(282)	449.6
Profit for the financial period		5,058	2,537	99.4	9,102	7,638	19.2
Other comprehensive income:							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising on consolidation		(11)	779	N/M	(198)	512	N/M
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising on consolidation		51	(20)	N/M	84	(15)	N/M
Other comprehensive income for the financial period, net of tax		40	759	(94.7)	(114)	497	N/M
Total comprehensive income for the financial period		5,098	3,296	54.7	8,988	8,135	10.5
Profit attributable to:							
Equity holders of the Company		3,375	1,487	127.0	6,618	6,327	4.6
Non-controlling interests		1,683	1,050	60.3	2,484	1,311	89.5
		5,058	2,537	99.4	9,102	7,638	19.2
Total comprehensive income attributable to:							
Equity holders of the Company		3,364	2,266	48.5	6,420	6,839	(6.1)
Non-controlling interests		1,734	1,030	68.3	2,568	1,296	98.1
Total comprehensive income for the financial period		5,098	3,296	54.7	8,988	8,135	10.5
Earnings per share attributable to the equity holders of the company during the financial period:							
Basic (US\$ cents)		5.77	2.54	127.0	11.32	10.82	4.6
Equivalent (S\$ cents)		7.75	3.50	121.3	15.20	14.90	2.0
Diluted (US\$ cents)		4.80	2.54	88.8	10.27	10.82	(5.1)
Equivalent (S\$ cents)		6.45	3.50	84.1	13.79	14.90	(7.4)

Note :

(1) Assume that the entire 14,617,993 issued bonus warrants as at 31 December 2021 were exercised.

**B. Condensed Interim Statements of Financial Position
As At 31 December 2021**

	Note	Group		Company	
		31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Non-current assets					
Property, plant and equipment	11	6,171	6,104	-	-
Investment in subsidiaries		-	-	13,538	14,546
Investment in associated companies		197	111	-	-
Fair value through other comprehensive income		99	99	-	-
Deferred tax assets		7	10	-	-
		6,474	6,324	13,538	14,546
Current assets					
Inventories		902	902	-	-
Trade and other receivables		56,948	40,166	7	24
Contract assets		2,522	829	-	-
Due from subsidiaries		-	-	4,131	2,928
Due from associated companies		131	-	-	-
Tax recoverable		265	106	-	-
Cash and cash equivalents		39,438	30,649	7,324	8,509
		100,206	72,652	11,462	11,461
Total assets		106,680	78,976	25,000	26,007
Non-current liabilities					
Lease liabilities	12	260	348	-	-
		260	348	-	-
Current liabilities					
Trade and other payables		60,931	40,640	803	813
Contract liabilities		153	243	-	-
Due to subsidiaries		-	-	1,670	3,682
Due to associated companies		-	27	-	-
Bank borrowings	12	74	1,755	-	1,679
Provision for liabilities		265	265	-	-
Lease liabilities	12	829	611	-	-
Tax payable		932	397	-	33
		63,184	43,938	2,473	6,207
Total liabilities		63,444	44,286	2,473	6,207
Net assets		43,236	34,690	22,527	19,800
Equity					
Share capital	13	51,758	51,758	51,758	51,758
Accumulated losses		(2,314)	(8,549)	(29,231)	(31,958)
Foreign currency translation reserve		(7,166)	(6,968)	-	-
Equity attributable to equity holders of the Company		42,278	36,241	22,527	19,800
Non-controlling interests		958	(1,551)	-	-
Total equity		43,236	34,690	22,527	19,800

**C. Condensed Interim Consolidated Statement of Cash Flows
For the second half and full financial year ended 31 December 2021**

	Note	Group			
		Second half year ended		Full year ended	
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
		US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities					
Profit before tax		6,211	2,772	10,652	7,920
Adjustments for:					
Interest income	8	(21)	(20)	(34)	(84)
Depreciation of property, plant and equipment		792	834	1,589	1,800
Gain on disposal of non-current asset held for sale	8	-	-	-	(2,696)
Dividend income from non-current asset held for sale	8	-	-	-	(1,102)
(Written back)/Impairment allowance for trade receivables	8	269	(247)	196	(256)
Interest expenses		23	44	50	133
Impairment allowance for non-trade receivables	8	(1)	93	2	140
Impairment allowance for non-trade receivables written back (Written back)/Impairment allowance for amount due from associated companies		(145)	(3)	(145)	(3)
Bad trade receivables written off	8	(4)	67	(4)	67
Loss on disposal of property, plant and equipment		-	(21)	68	50
Bad trade receivables recovered		(2)	-	5	-
Share of results of associated companies		(16)	-	(16)	-
Impairment allowance for inventories obsolescence	8	(54)	7	(103)	(16)
		-	360	-	360
Operating cash flow before working capital changes		7,052	3,886	12,260	6,313
Receivables		(11,302)	(11,369)	(18,734)	(7,488)
Payables		15,477	9,536	20,199	10,568
Effect of foreign exchange rate changes		231	289	17	(20)
Cash generated from operations		11,458	2,342	13,742	9,373
Income tax paid		(820)	(92)	(1,164)	(142)
Net cash generated from operating activities		10,638	2,250	12,578	9,231
Cash flows from investing activities					
Proceeds from disposal of non-current asset held for sale		-	-	-	3,836
Interest received	8	21	20	34	84
Dividend income from non-current asset held for sale		-	-	-	1,102
Proceeds from disposal of property, plant and equipment		10	-	203	-
Purchase of property, plant and equipment		(465)	(115)	(837)	(150)
Net cash (used in)/generated from investing activities		(434)	(95)	(600)	4,872
Cash flows from financing activities					
Increase in fixed deposits pledged with financial institutions for bank facilities		(413)	-	(413)	-
Repayment of bank borrowings		(55)	-	(1,678)	(2,476)
Repayment of lease liabilities		(433)	(566)	(932)	(1,695)
Dividend paid to minority shareholder		-	-	(59)	-
Dividend paid to shareholders of the Company		(218)	(419)	(383)	(419)
Interest paid		(23)	(44)	(50)	(133)
Net cash used in financing activities		(1,142)	(1,029)	(3,515)	(4,723)
Net increase in cash and cash equivalents ⁽¹⁾		9,062	1,126	8,463	9,380
Cash and cash equivalents at beginning of period		29,762	28,659	30,271	20,478
Effect of foreign exchange rate changes		(177)	486	(87)	413
Cash and cash equivalents at end of period		38,647	30,271	38,647	30,271
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		29,484	29,942	29,484	29,942
- Fixed deposits		9,954	707	9,954	707
		39,438	30,649	39,438	30,649
Less: Fixed deposits restricted for use		(791)	(378)	(791)	(378)
Cash and cash equivalents per consolidated statement of cash flows		38,647	30,271	38,647	30,271

Note:

(1) As at 31 December 2021, Cash and cash equivalents balances held by the Group amounting to US\$0.791 million are not available for use.

D. Condensed Interim Statements of Changes in Equity
For the second half and full financial year ended 31 December 2021

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 2021	51,758	(8,549)	(6,968)	36,241	(1,551)	34,690
Profit for the period	-	3,243	-	3,243	801	4,044
Other comprehensive income/(loss)						
Dividend paid to non-controlling shareholders by subsidiary	-	-	-	-	(59)	(59)
Currency translation differences on consolidation	-	-	(187)	(187)	33	(154)
Total comprehensive income/(loss) for the period	-	3,243	(187)	3,056	775	3,831
Transaction with owners recorded directly in equity						
Dividend paid on ordinary shares	-	(165)	-	(165)	-	(165)
At 30 June 2021	51,758	(5,471)	(7,155)	39,132	(776)	38,356
Profit for the period	-	3,375	-	3,375	1,683	5,058
Other comprehensive income/(loss)						
Currency translation differences on consolidation	-	-	(11)	(11)	51	40
Total comprehensive income/(loss) for the period	-	3,375	(11)	3,364	1,734	5,098
Transaction with owners recorded directly in equity						
Dividend paid on ordinary shares	-	(218)	-	(218)	-	(218)
At 31 December 2021	51,758	(2,314)	(7,166)	42,278	958	43,236

Condensed Interim Statements of Changes in Equity (cont'd)
For the second half and full financial year ended 31 December 2021

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 2020	51,758	(14,457)	(7,480)	29,821	(2,847)	26,974
Profit for the period	-	4,840	-	4,840	261	5,101
Other comprehensive income/(loss)						
Currency translation differences on consolidation	-	-	(267)	(267)	5	(262)
Total comprehensive income/(loss) for the period	-	4,840	(267)	4,573	266	4,839
Transaction with owners recorded directly in equity						
Dividend paid on ordinary shares	-	(419)	-	(419)	-	(419)
At 30 June 2020	51,758	(10,036)	(7,747)	33,975	(2,581)	31,394
Profit for the period	-	1,487	-	1,487	1,050	2,537
Other comprehensive income/(loss)						
Currency translation differences on consolidation	-	-	779	779	(20)	759
Total comprehensive income/(loss) for the period	-	1,487	779	2,266	1,030	3,296
At 31 December 2020	51,758	(8,549)	(6,968)	36,241	(1,551)	34,690

Condensed Interim Statements of Changes in Equity (cont'd)
For the second half and full financial year ended 31 December 2021

THE COMPANY	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2021	51,758	(31,958)	19,800
Profit and total comprehensive income for the period	-	222	222
Dividend paid on ordinary shares	-	(165)	(165)
At 30 June 2021	51,758	(31,901)	19,857
Profit and total comprehensive income for the period	-	2,888	2,888
Dividend paid on ordinary shares	-	(218)	(218)
At 31 December 2021	51,758	(29,231)	22,527

THE COMPANY	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2020	51,758	(31,794)	19,964
Profit and total comprehensive profit for the period	-	152	152
Dividend paid on ordinary shares	-	(419)	(419)
At 30 June 2020	51,758	(32,061)	19,697
Profit and total comprehensive profit for the period	-	103	103
At 31 December 2020	51,758	(31,958)	19,800

E. Notes to the 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 consolidated financial statements as at and for the year ended 31 December 2021 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 of aircraft and aircraft engines; and
- (b) Logistics (relating to supply chain management services and logistic solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and airport ground services).

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

2 Basis of preparation

The consolidated 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 consolidated financial statements for the year ended 31 December 2021 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 2021.

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 that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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.

Valuation of inventories

Inventories are stated at the lower of cost and net realisable value. Where necessary, write-down is made to adjust the carrying value of inventories to the lower of cost or net realisable value. Due to the specialised nature of the inventories and the niche market that the Group operates in, market price information is not easily available. Accordingly, significant management judgement is required to determine the net realisable value. The carrying amount of inventories at the balance sheet date was US\$902,000.

Calculation of loss allowance

Management determines the loss allowance on trade receivables and contract assets by categorising them based on shared credit risk characteristics, historical loss patterns and historical payment profiles, with consideration of the impact of COVID-19 pandemic. 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 2021 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 chief operating decision maker 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 the following services:

- (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.

5.1 Reportable segments

Reportable segments are as follow:-

	Aviation		Logistics		Consolidated	
	Second half year ended		Second half year ended		Second half year ended	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Turnover from reportable segments	34	69	267,038	144,062	267,072	144,131
Interest income	6	4	15	16	21	20
Finance costs	-	(13)	(23)	(31)	(23)	(44)
Depreciation of property, plant and equipment	(19)	(21)	(773)	(813)	(792)	(834)
Share of results of associated companies	-	-	54	(7)	54	(7)
Taxation expenses	-	-	(1,153)	(235)	(1,153)	(235)
Reportable segment (loss)/profit	(924)	(1,354)	5,982	3,891	5,058	2,537
<u>Other material non-cash items:</u>						
Impairment allowance for non-trade receivables written back	-	-	145	3	145	3
Written back/(Impairment allowance) for trade receivables	-	298	(269)	(51)	(269)	247
Impairment for inventories obsolescence	-	(360)	-	-	-	(360)
Bad trade debts written off	-	-	-	21	-	21
Written back/(Impairment allowance) for associated companies	-	-	4	(67)	4	(67)
Impairment allowance for non-trade receivables	-	-	1	(93)	1	(93)

5. Segment and revenue information (Cont'd)

5.1 Reportable segments (Cont'd)

	Aviation		Logistics		Consolidated	
	Full year ended		Full year ended		Full year ended	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Turnover from reportable segments	38	69	459,610	262,859	459,648	262,928
Interest income	9	54	25	30	34	84
Finance costs	(3)	(40)	(47)	(93)	(50)	(133)
Depreciation of property, plant and equipment	(39)	(42)	(1,550)	(1,758)	(1,589)	(1,800)
Share of results of associated companies	-	-	103	16	103	16
Taxation expenses	33	-	(1,583)	(282)	(1,550)	(282)
Reportable segment (loss)/profit	(1,354)	(1,872)	10,456	9,510	9,102	7,638
Other material						
non-cash items:						
Impairment allowance for non-trade receivables written back	-	-	145	3	145	3
Written back/(Impairment allowance) for trade receivables	-	298	(196)	(42)	(196)	256
Impairment for inventories obsolescence	-	(360)	-	-	-	(360)
Bad trade debts written off	-	-	(68)	(50)	(68)	(50)
Written back/(Impairment allowance) for associated companies	-	-	4	(67)	4	(67)
Impairment allowance for non-trade receivables	-	-	(2)	(140)	(2)	(140)

5. Segment and revenue information (Cont'd)

5.1 Reportable segments (Cont'd)

	Aviation		Logistics		Consolidated	
	Full year ended		Full year ended		Full year ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	9,546	10,662	97,134	68,314	106,680	78,976
Segment liabilities	977	2,749	62,467	41,537	63,444	44,286
Expenditure in non-current assets	1	4	1,899	569	1,900	573

5.2 Disaggregation of Revenue

	Aviation		Logistics		Consolidated	
	Second half year ended		Second half year ended		Second half year ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Types of goods or services						
Sales of goods	34	69	-	-	34	69
Rendering of services	-	-	267,038	144,062	267,038	144,062
Total revenue	34	69	267,038	144,062	267,072	144,131
Timing of revenue recognition:						
Over time	-	-	8,560	6,747	8,560	6,747
At a point in time	34	69	258,478	137,315	258,512	137,384
Total revenue	34	69	267,038	144,062	267,072	144,131

	Aviation		Logistics		Consolidated	
	Full year ended		Full year ended		Full year ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Types of goods or services						
Sales of goods	38	69	-	-	38	69
Rendering of services	-	-	459,610	262,859	459,610	262,859
Total revenue	38	69	459,610	262,859	459,648	262,928
Timing of revenue recognition:						
Over time	-	-	16,347	12,881	16,347	12,881
At a point in time	38	69	443,263	249,978	443,301	250,047
Total revenue	38	69	459,610	262,859	459,648	262,928

Geographical information:

	Aviation		Logistics		Consolidated	
	Second half year ended		Second half year ended		Second half year ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The People Republic of China (including Hong Kong S.A.R)	-	-	192,923	103,379	192,923	103,379
Australia	-	-	17,813	7,627	17,813	7,627
Singapore	34	69	15,368	11,372	15,402	11,441
Other countries	-	-	40,934	21,684	40,934	21,684
	34	69	267,038	144,062	267,072	144,131

	Aviation		Logistics		Consolidated	
	Full year ended		Full year ended		Full year ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The People Republic of China (including Hong Kong S.A.R)	-	-	341,293	198,345	341,293	198,345
Australia	-	-	28,689	11,512	28,689	11,512
Singapore	38	69	28,225	21,619	28,263	21,688
Other countries	-	-	61,403	31,383	61,403	31,383
	38	69	459,610	262,859	459,648	262,928

A breakdown of sales as follows:-

	Group		
	Full year ended 31 Dec 2021 US\$'000	Full year ended 31 Dec 2020 US\$'000	% increase
a) Sales reported for first half year	192,576	118,797	62.1%
b) Profit after tax before deducting non-controlling interests reported for first half year	4,044	5,101	-20.7%
c) Sales reported for second half year	267,072	144,131	85.3%
d) Profit after tax before deducting non-controlling interests reported for second half year	5,058	2,537	99.4%

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 2021 and 31 December 2020:

	The Group		The Company	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Financial Assets				
Fair value through other comprehensive income	99	99	-	-
Financial assets at amortised costs	95,348	69,490	11,456	11,458
Financial Liabilities				
Financial liabilities at amortised costs	60,892	42,860	2,473	6,146

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 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Tax expense attributable to profits is made up of:				
Current financial year				
- tax expense	1,165	229	1,551	274
Under/(over) provision in prior financial years:				
- Current Income tax	(12)	7	(4)	9
- Deferred income tax	-	(1)	3	(1)
	1,153	235	1,550	282

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 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	21	20	34	84
Sundry income	432	1,224	1,230	2,419
Dividend income from non-current asset held for sale	-	-	-	1,102
Gain on disposal of non-current asset held for sale	-	-	-	2,696
Written back/(Impairment allowance) for trade receivables	(269)	247	(196)	256
Impairment allowance for non-trade receivables	1	(93)	(2)	(140)
Bad trade receivables written off	-	21	(68)	(50)
Impairment allowance for inventories obsolescence	-	(360)	-	(360)
Foreign currency exchange loss	(381)	(364)	(387)	(259)
Rental expenses	(146)	(394)	(735)	(729)

8.2. Related parties transaction

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

9. Dividend

	Group	
	2021	2020
	US\$'000	US\$'000
Ordinary dividends paid:		
Interim exempt dividend of 0.50 Singapore cent per share paid (31 December 2020 : nil)	218	-
Final exempt dividend of 0.375 Singapore cent per share paid (31 December 2020 : 1 Singapore cent per share) in respect of previous financial year	165	419
	383	419

As further discussed on page 25 at paragraph 5(a) of section F (entitled "Other Information" required by Listing Rule Appendix 7.2), the Board of Directors declared and paid an interim one-tier tax exempt dividend of 0.50 Singapore cent per share for the first six (6) months of 2021 on 17 September 2021. The Board of Directors has further recommended that, in relation to the FY2021 results, a final one-tier tax exempt dividend of 0.50 Singapore cent per share, and a special dividend of 4.80 Singapore cent per share.

10. Net asset value

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2021	2020	2021	2020
Net asset value per share based on existing issued share capital at the end of period/year (US\$ cents)	72.30	61.97	38.52	33.86
Net asset value per share based on existing issued share capital at the end of period/year (S\$ cents)	97.64	81.93	52.03	44.77

11. Property, plant and equipment

During the year ended 31 December 2021, the Group acquired assets (included right-of-use assets) relating to our business amounted to US\$1,900,000 (31 December 2020: US\$573,000), and disposed of assets (included derecognition of right-of-use assets) relating to our business amounted to US\$1,903,000 (31 December 2020: US\$1,216,000).

12. Borrowings

	Group	
	31 Dec	31 Dec
	2021	2020
	US\$'000	US\$'000
Amount repayable in one year or less, or on demand		
Secured	74	1,755
Unsecured	829	611
	903	2,366
Amount repayable after one year		
Secured	-	-
Unsecured	260	348
	260	348

Our Group's total bank borrowing was US\$0.074 million as at 31 December 2021. The US\$0.074 million was secured against a corporate guarantee and a floating charge over the account receivables of our logistics business unit.

Our Group's unsecured lease liabilities of US\$0.829 million, repayable in one year or less, or on demand, relates to "Right of use" asset for our logistics business unit.

Our Group's unsecured lease liabilities of US\$0.260 million, repayable after one year, relates to "Right of use" asset for our logistics business unit.

13. Share capital

	The Group and the Company			
	31 December 2021		31 December 2020	
	Number of Shares	US\$'000	Number of Shares	US\$'000
Issued and fully paid capital				
At beginning and end of interim period	58,479,296	51,758	58,479,296	51,758

The Company did not hold any treasury shares as at 31 December 2021.

There was no sale, transfer, disposal, cancellation and/or use of subsidiary holdings as at 31 December 2021.

14. Subsequent Event after Balance Sheet Date

The Company issued 14,617,993 Bonus Warrants to shareholders on 12 July 2021. The Bonus Warrants are exercisable from 15 January 2022 to 8 April 2022 (both dates included). The exercise price of the Bonus Warrant is S\$0.08 for each warrant, exercisable to one (1) new share.

As at the date of this announcement, 9,625,890 Bonus Warrants had been exercised, and 4,992,103 Bonus Warrants remained available for exercise till 8 April 2022.

The Company has 68,105,186 issued ordinary shares as at the date of this announcement.

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 2021 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.

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 29 cities in 16 countries, spanning four (4) continents in Asia, North America, Sub-Continent India and Europe. Our staff strength was approximately 640 personnel as at 31 December 2021.

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

Last year 2021 was largely defined by several macro-economic factors, including the Covid-19 pandemic, the prospects of inflation, and the supply chain disruption. These variables produced not just a plethora of temporary changes, mainly short-term shift in demand, but also some lasting ones.

We have started to look back to prepare for the future: (i) challenge our ideas about what is happening in our traditional business domain by taking a fresh, careful review of our business; (ii) comb through to find our blind spots and alternative perspectives; (iii) evaluate our business to model to the new norm to create and deliver value to partners and our customers; and (iv) invest our resources dynamically, not only to survive the disruptions, but to thrive onwards and beyond.

Staying steadfast to this framework, we shall strive even harder in our attempt to achieve, as we did in the financial year ended 31 December 2021 (“**FY 2021**”):

- (i) We scored a historic record high “Turnover” of US\$459.648 million, an increase of 74.8% (US\$196.720 million), compared to US\$262.928 million for the financial year ended 31 December 2020 (“**FY 2020**”);
- (ii) We achieved higher operating profit (excluding non-recurrent items) of US\$9.422 million in FY 2021, compared to US\$1.703 million in FY 2020; and
- (iii) We posted “Profit Before Tax” of US\$10.652 million in FY 2021, up US\$2.732 million (34.5%), compared to US\$7.920 million in FY 2020.

Topping all up for shareholders, and for the first time, subject to shareholders’ approval at the annual general meeting to be convened on 28 April 2022, we propose to pay a total dividend of 5.8 Singapore cent per share in relation to FY 2021 results, comprising:

- (i) An interim dividend of 0.5 Singapore cent per share, which had already been paid on 17 September 2021;
- (ii) A final dividend of 0.5 Singapore cent per share, declared as disclosed on page 25 of this Announcement; and
- (iii) A special dividend of 4.8 Singapore cent per share, declared as disclosed on page 25 of this Announcement.

We further improved our financial performance on all fronts in FY 2021, as evident in our Group's highlights for past four (4) financial years, since FY 2018 to FY 2021, as shown in the table below.

		FY 2018	FY 2019	FY 2020	FY 2021
(i) Turnover (US\$'000)	:	218,751	204,908	262,928	459,648
(Equivalent S\$'000)	:	295,008 ⁽¹⁾	279,269 ⁽²⁾	362,078 ⁽³⁾	617,307 ⁽⁴⁾
(ii) Profit Before Tax (US\$'000)	:	812	3,481	7,920	10,652
(Equivalent S\$'000)	:	1,095 ⁽¹⁾	4,744 ⁽²⁾	10,907 ⁽³⁾	14,306 ⁽⁴⁾
(iii) Profit After Tax (US\$'000)	:	630	3,107	7,638	9,102
(Equivalent S\$'000)	:	850 ⁽¹⁾	4,235 ⁽²⁾	10,518 ⁽³⁾	12,224 ⁽⁴⁾
(iv) Net Profit Attributable to Equity Holders of the Company (US\$'000)	:	1,481	2,533	6,327	6,618
(Equivalent S\$'000)	:	1,997 ⁽¹⁾	3,452 ⁽²⁾	8,713 ⁽³⁾	8,888 ⁽⁴⁾
(v) Earnings Per Share ("EPS") (Equivalent S\$ cents) ⁽⁵⁾	:	3.4	5.9	14.9	15.2
(vi) Net Assets (Attributable to Equity Holders of the Company) ("NTA") (US\$'000)	:	27,676	29,821	36,241	42,278
(Equivalent S\$'000)	:	37,758 ⁽¹⁾	40,160 ⁽²⁾	47,914 ⁽³⁾	57,101 ⁽⁴⁾
(vii) NTA/share (S\$ cents)	:	64.6 ⁽¹⁾	68.7 ⁽²⁾	81.9 ⁽³⁾	97.6 ⁽⁴⁾
(viii) Historical Price Earnings Ratio (Historical) ⁽⁶⁾ (times)	:	15.9x	9.2x	3.6x	3.6x
(ix) Share Price at Discount to NTA ⁽⁷⁾ (%)	:	16.4%	21.4%	34.1%	44.7%
(x) Bank Gearing (%) (Bank borrowing/NTA)	:	15.1%	14.4%	4.8%	0.2%
(xi) Total Dividends in relation to financial year results (S\$ cents), comprising:		1.0	1.0	0.375	5.8
(a) Dividend (S\$ cents); and	:	1.0	1.0	0.375	1.0
(b) Special Dividends (S\$ cents)	:	-	-	-	4.8

Notes:

(1) Based on foreign currency exchange rate on 31 December 2018 (End rate at US\$1=S\$1.3643 & Ave rate at US\$1= S\$1.3486).

(2) Based on foreign currency exchange rate on 31 December 2019 (End rate at US\$1=S\$1.3467 & Ave rate at US\$1= S\$1.3629).

(3) Based on foreign currency exchange rate on 31 December 2020 (End rate at US\$1=S\$1.3221 & Ave rate at US\$1= S\$1.3771).

(4) Based on foreign currency exchange rate on 31 December 2021 (End rate at US\$1=S\$1.3506 & Ave rate at US\$1= S\$1.3430).

(5) Based on "Net Profit Attributable to Equity Holders of the Company" FY 2018, FY 2019, FY 2020 and FY 2021.

(6) Share price was based on the closing market price of S\$0.54 on 25 February 2022, and earning was based on "Net Profit Attributable to the Equity Holders of the Company".

(7) Share price was based on closing market price of S\$0.54 on 25 February 2022.

Our logistics business unit achieved "Profit Before Tax" of US\$12.039 million (equivalent to S\$16.168 million) in FY2021, compared to US\$9.793 million in FY2020. "Turnover" increased US\$196.751 million (74.9%) to US\$459.610 million in FY 2021, our record high. The growth in "Turnover" was largely due to higher freight rates as a result of the global disruption in the logistics supply chain in FY 2021. The Group's "Turnover" was generated substantially from North Asia.

In contrast, our aviation business unit continued to incur losses. The "Loss Before Tax" was US\$1.387 million (equivalent to S\$1.863 million) in FY2021.

COVID-19 IMPACT

Job security, safety, and well being of our A-Sonic team members, and customers remain paramount.

Excluding the US\$1.387 million (S\$1.863 million) losses of our aviation business unit in FY 2021:

- (i) our profit before tax would have been US\$12.039 million (S\$16.168 million); and
- (ii) our operating profit (excluding non-recurrent items) would have been US\$10.933 million (S\$14.683 million). The resilience of our portfolio of logistics activities was in part due to our essential services to our customers who are engaged in the global supply chain.

Our Short-Term Covid-19 Response

- To strengthen our logistics business exposure by regions, verticals, and activities.
- Focus on safety of our staff, and provide our team members, especially those working on-site with personal protective equipment and medical supplies.
- Stringent focus on management of our account receivables.
- Tighter cost control, but sensible.
- Focus on cash management liquidity, and strengthen our balance sheet.

Our Longer-Term Covid-19 Response

- Maintain our capabilities to deal with different potential recovery, while staying alert for future recurrent wave.
- Automation and digitalization to increase productivity, hence better manage costs.
- Monitor any potential structural shift in the supply chain due to Covid-19, and to evaluate how to adapt to the change.

INCOME STATEMENT

Revenue

FY 2021 vs FY 2020

In FY 2021, our “Total Revenue” hit a historic record high of US\$461.070 million (S\$619.217 million), an increase of 71.1% or US\$191.643 million, compared to US\$269.427 million in FY 2020.

Our Group’s “Turnover Revenue” comprises “Turnover” and “Other Income”.

Our “Total Revenue” increased US\$191.643 million to US\$461.070 million in FY 2021 because our “Turnover” surged US\$196.720 million to US\$459.648 million, compared to the “Turnover” of US\$262.928 million in FY 2020. “Turnover” jumped 74.8% to US\$459.648 million mainly due to higher freight rates as a result of the global disruption in the logistics supply chain in FY 2021, and higher cargo volume. The cargo commodities were diverse, but included higher volume of healthcare protective gear against Covid-19.

However, our “Total Revenue” was pared owing to a decline of US\$5.077 million in “Other income” in FY 2021, compared to FY 2020. The reduction in “Other income” was largely attributable to three (3) non-recurrent income that were absent in FY 2021, but had occurred in FY 2020 as elaborated:

- (i) US\$2.696 million gain from the disposal of “Non-Current Asset Held For Sale” in FY 2020, which was a former associated company in Hong Kong;
- (ii) US\$1.102 million dividend that was made by the above-mentioned former associated company in FY 2020; and
- (iii) US\$1.189 million lower “sundry income” in FY 2021, which comprised substantially government subsidies received by several of our network offices operating in different countries.

2H 2021 vs 2H 2020

For the six (6) months ended 31 December 2021 (“**2H 2021**”), our “Total Turnover” of US\$267.677 million almost equalled that our entire 12 months of FY 2020 “Total Turnover” of US\$269.427 million.

Similarly, our “Total Turnover” of US\$267.677 million in 2H 2021 was 83.6% higher than the US\$145.788 million registered in the second six (6) months ended 31 December 2020 (“**2H 2020**”). The US\$121.889 million increase in “Total Turnover” in 2H 2021, compared to 2H 2020, was primarily due to our US\$122.941 million higher “Turnover” in 2H 2021. The jump in “Turnover” in 2H 2021 was largely attributable to higher freight rates and higher cargo volume, as elaborated in the section entitled “*Revenue, FY 2021 vs FY 2020*” in the prevailing section on page 19 of this Announcement.

However, our “Total Revenue” was slightly offset owing to a decline of US\$1.052 million in “Other Revenue” to US\$0.605 million in 2H 2021, compared to US\$1.657 million in 2H 2020. The contraction was mainly owing to two (2) non-recurrent income in 2H 2021, but was present in 2H 2020 as elaborated below:

- (i) US\$0.792 million decrease in “Sundry income” in 2H 2021, which comprised substantially government subsidies received by several of our network offices in different countries; and
- (ii) US\$0.275 million decline in “Allowance for doubtful trade debt write back” in 2H 2021.

2H 2021 vs 1H 2021

In 2H 2021, our “Total Turnover” increased US\$74.284 million to US\$267.677 million, compared to US\$193.393 million for the six (6) months ended 30 June 2021 (“**1H 2021**”). Our Group’s “Turnover” increased US\$74.496 million because of US\$74.466 million higher “Turnover” generated from our logistics business unit in 2H 2021, compared to 1H 2021.

The increase in our logistics “Turnover” in 2H 2021 compared to 1H 2021 was substantially resulting from the continued higher freight rates, and larger cargo volume owing to several major festive seasons, such as Thanksgiving, Christmas, New Year, and the preparations for the Chinese New Year in the year ahead. Our logistics “Turnover” was generated largely from North Asia.

Our “Other Revenue” declined US\$0.212 million to US\$0.605 million in 2H 2021, compared to US\$0.817 million in 1H 2021. This was largely attributable to reduced government subsidies received by several of our network offices operating in different countries.

Total Costs and Expenses

FY 2021 vs FY 2020

Our “Total Costs and expenses” comprises substantially two (2) items: (i) “Freight charges” related to our logistics business, and (ii) “Staff costs”. In FY 2021, these two (2) items comprised 98% of our “Total Costs and expenses”.

“Total Costs and expenses” increased US\$188.998 million (72.3%) to US\$450.521 million in FY 2021, compared to US\$261.523 million in FY 2020. The US\$188.998 million increase in “Total Costs and expenses” in FY 2021 was largely attributable to:

- (i) US\$180.662 million higher “Freight charges” as a result of our US\$196.751 million increase in our logistics “Turnover”, which was elaborated in section entitled “*Revenue*” “*FY 2021 vs FY 2020*” on page 19 of this Announcement;
- (ii) US\$6.817 million higher “Staff costs” largely due to higher salaries and performance incentives paid. The increase in remuneration was largely owing to higher wages in the freight labour market for experienced candidates, as well as inflationary pressures. Higher incentives were paid out to staff owing to sales targets being achieved, and to support staff who supported the challenging operating conditions in FY 2021. The increase in “Staff costs” was substantially from North Asia, in line with higher contribution of “Turnover” and improved performance; and
- (iii) US\$1.818 million higher “Other operating expenses” in FY 2021, substantially owing to:
 - (a) An increase of US\$0.772 million to upgrade our information technology and computer systems, which is expected to increase productivity of our subsidiary in North Asia; and

- (b) An increase of US\$0.402 million in expenses relating to office refurbishment, and various operating expenses resulting from more business development incurred by our subsidiary operating in North Asia.

2H 2021 vs 2H 2020

“Total costs and expenses” increased US\$118.511 million (82.9%) to US\$261.520 million in 2H 2021, compared to US\$143.009 million in 2H 2020. The US\$118.511 million increase in “Total Costs and expenses” in 2H 2021 was largely attributable to:

- (i) US\$113.832 million higher “Freight charges” as a result of our US\$122.976 million increase in our logistics “Turnover”, which was elaborated in the section entitled “Revenue” “2H 2021 vs 2H 2020” on page 20 of this Announcement; and
- (ii) US\$3.899 million higher “Staff costs” largely due to higher salaries and performance incentives paid as elaborated in the corresponding and preceding paragraph at page 20 of this Announcement.

The increases in “Freight charges” and “Staff costs” outlined above accounted for 99.3% (US\$117.731 million) of the US\$118.511 million increase in “Total Costs and expenses” in 2H 2021, compared to 2H 2020.

2H 2021 vs 1H 2021

“Total costs and expenses” increased 38.4% (US\$72.519 million) to US\$261.520 million in 2H 2021, compared to US\$189.001 in 1H 2021. The US\$72.519 million increase in “Total costs and expenses” was due to higher “Freight charges” and “Staff costs” as elaborate below:

- (i) “Freight charges” increased US\$68.066 million to US\$242.834 million in tandem with higher “Turnover” in 2H 2021, compared to 1H 2021 as elaborated in the section entitled “Revenue” “2H 2021 vs 1H 2021” on page 20 of this Announcement; and
- (ii) “Staff costs” increased US\$2.547 million to US\$13.188 million in 2H 2021, compared to US\$10.641 million in 1H 2021, mainly due to higher incentives paid out to staff in North Asia.

In addition, “Other operating expenses” increased US\$1.915 million in 2H 2021 to US\$4.683 million, compared to US\$2.768 million in 1H 2021. The increase in “Other operating expenses” in 2H 2021 was largely due to:

- (i) US\$0.497 million higher to upgrade our information technology and computer systems, which is expected to increase productivity of our subsidiary operating in North Asia;
- (ii) US\$0.305 million higher in expenses relating to office refurbishment and various operating expenses resulting from more in business development incurred by our subsidiary operating in North Asia; and
- (iii) Higher US\$0.285 million in restructuring cost incurred for a new transportation business unit that we were launching, and vehicle related expenses utilised for our logistics business.

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

FY 2021 vs FY 2020

“Profit Before Tax” was up 34.5% (US\$2.732 million) to US\$10.652 million in FY 2021, compared to US\$7.920 million in FY 2020. The improvement was largely owing to an increase of 74.9% (US\$196.751 million) in our logistics “Turnover” to US\$459.610 million in FY 2021. The higher logistics “Turnover” in FY 2021 compared to FY 2020, is elaborated in the above section entitled “Revenue” “FY 2021 vs FY 2020” at page 19 of this Announcement.

In addition, we managed to contain the increase in our “Total costs and expenses”, which rose at a slower rate than our “Turnover” in FY 2021.

Excluding aviation business unit losses of US\$1.387 million, our logistics business unit recorded a record high “Profit Before Tax” of US\$12.039 million in FY 2021, compared to US\$9.793 million in FY 2020. The improvement of our logistics business unit was substantially resulting from the record high logistics “Turnover” in FY 2021.

Excluding non-recurrent items, such as once-off gains, dividends, and government job subsidies, our logistics business unit would have recorded an operating profit of US\$10.933 million in FY 2021, compared to US\$3.724 million in FY 2020.

Owing to the volatile currency movement of the US\$ against the S\$, the former appreciated sharply for the most part of FY2021. As at 31 December 2021, US\$ currency stood at S\$1.3506 in FY2021, compared to S\$1.3221 as at 31 December 2020. As a result, our "other comprehensive income for the financial period, net of tax" was a negative of US\$0.114 million in FY2021, compared to a gain of US\$0.497 million in FY2020.

Corresponding to our higher "Profit Before Tax", our "Profit attributable to Equity Holders of the Company" (which excludes "Non-Controlling Interests"), increased 4.6% to US\$6.618 million in FY 2021, compared to FY 2020. Had it not been for the US\$1.354 million losses incurred by our aviation business unit, our "Profit attributable to Equity Holders of the Company" would have been US\$7.972 million in FY 2021.

2H 2021 vs 2H 2020

We registered 124.1% (US\$3.439 million) increase in our "Profit Before Tax" to US\$6.211 million in 2H 2021, compared to US\$2.772 million in 2H 2020. Our 2H 2021 was better than 2H 2020 because:

- (i) Our logistics business unit generated an additional US\$3.009 million "Profit Before Tax" to US\$7.135 million in 2H 2021, compared to US\$4.126 million in 2H 2020. The higher logistics "Profit Before Tax" was largely attributable to higher logistics "Turnover" in 2H 2021 as elaborated in the section entitled "Revenue" "2H 2021 vs 2H 2020" at page 20 of this Announcement; and
- (ii) Our aviation business unit reduced its losses to US\$0.924 million in 2H 2021, compared to losses of US\$1.354 million in 2H 2020.

Corresponding to higher "Profit Before Tax", our "Profit attributable to Equity Holders of the Company" (which excludes "Non-Controlling Interests") increased 127% to US\$3.375 million in 2H 2021, compared to US\$1.487 million in 2H 2020.

Excluding the US\$0.924 million losses incurred by our aviation business unit, our "Profit attributable to Equity Holders of the Company" would have been US\$4.299 million in 2H 2021.

2H 2021 vs 1H 2021

We achieved higher "Profit Before Tax" of US\$6.211 million in 2H 2021, compared to US\$4.441 million in 1H 2021. The better performance in 2H 2021 compared to 1H 2021 was largely due to higher logistics "Turnover".

In 2H 2021, our logistics business unit recorded a "Turnover" of US\$267.038 million, compared to US\$192.572 million in 1H 2021. The higher logistics "Turnover" in 2H 2021 was largely due to more festive seasons, such as Thanksgiving, Christmas, New Year and the upcoming preparation for the Chinese Lunar New Year in the year ahead. The cargo movements tend to occur approximately two (2) to three (3) months ahead of each festive season.

Owing to higher corporate tax, our "Profit for the financial period" (after tax), increased only 25.1% to US\$5.058 million in 2H 2021, compared to US\$4.044 million in 1H 2021. We incurred higher "Taxes" of US\$1.153 million in 2H 2021, compared to US\$0.397 million in 1H 2021.

In 2H 2021, we registered "Profit attributable to Equity Holders of the Company" of US\$3.375 million, compared to US\$3.243 million in 1H 2021.

Excluding the US\$0.924 million losses incurred by our aviation business unit in 2H 2021, and US\$0.430 million in 1H 2021, our "Profit attributable to Equity Holders of the Company" would have been US\$4.299 million in 2H 2021, and US\$3.673 million in 1H 2021, respectively.

BALANCE SHEET

Non-current assets

The Group's "Non-current assets" increased 2.4% (US\$0.150 million) to US\$6.474 million as at 31 December 2021, compared to US\$6.324 million as at 31 December 2020. The higher "Non-current assets" (US\$0.150 million) was owing to additional (US\$0.067 million) acquisition of "Property, plant and equipment" relating to our logistics business, and an increase (US\$0.086 million) in "Investment in associated companies".

Our "Non-current assets" comprised substantially (95.3%) "Property, plant and equipment", and the breakdown was as follows as at 31 December 2021:

<u>Item</u>	<u>US\$'000</u>
1 Leasehold office; Building on freehold land and freehold land	2,698
2 Motor vehicles (deployed for our logistics business)	1,851
3 Other assets	569
4 Right of use	1,053
	<u>6,171</u>

To the best of our knowledge, our above assets were not adversely affected by Covid-19.

Current assets

"Current assets" increased US\$27.554 million to US\$100.206 million as at 31 December 2021, compared to US\$72.652 million as at the end of FY 2020. Higher in "Current assets" was largely due to:

- (i) an increase of US\$16.782 million to US\$56.948 million from US\$40.166 million in "Trade and other receivables" as at 31 December 2021, in line with the surge in our logistics "Turnover"; and
- (ii) an increase of US\$8.789 million in our "Cash and cash equivalent". This "Cash and cash equivalent" was substantially deployed to support our "Turnover" of US\$459.648 million in FY 2021. Our logistics business requires adequate liquidity to fund our operations, particularly required to meet prompt payments to ocean and air carriers, and to gap our trade account receivables and trade account payables.

Non-current liabilities

"Non-current liabilities" decreased US\$0.088 million to US\$0.260 million as at 31 December 2021, due to partial repayment of "Lease liabilities" relating to lease office and motor vehicles deployed in our logistics business.

Current liabilities

"Current liabilities" increased US\$19.246 million to US\$63.184 million as at 31 December 2021, compared to US\$43.938 million as at the end of FY 2020. The increase was largely due to higher "Trade and other payables" of US\$20.291 million. The increase was, however, partially offset by a reduction of US\$1.681 million in "Bank borrowings".

Net asset and Equity

Excluding "Non-controlling interests", our "Equity attributable to equity holders of the Company" stood at US\$42.278 million as at end of 31 December 2021, compared to US\$36.241 million as at end FY 2020. The increase of US\$6.037 million in "Equity attributable to equity holders of the Company" as at end FY 2021, was largely due to the Group's "Profit attributable to equity holders of the Company" of US\$6.618 million.

The Group's bank gearing based on total "Banking borrowings" to "Equity attributable to equity holders of the Company" decreased to 0.2% as at end FY 2021, compared to 4.8% as at the end FY 2020.

CASH FLOW

FY 2021 vs FY 2020

“Net cash generated from operating activities” was US\$12.578 million in FY 2021, compared to US\$9.231 million in FY 2020 largely due to:

- (i) The “Operating cash flow before working capital changes” generated cash amounted to US\$12.260 million in FY 2021, compared to US\$6.313 million in FY 2020;
- (ii) Cash used in “Receivables” in FY 2021 was US\$18.734 million, compared to US\$7.488 million in FY 2020;
- (iii) Cash generated from “Payables” in FY 2021 was US\$20.199 million, compared to US\$10.568 million in FY 2020; and
- (iv) “Income tax paid” in FY 2021 was US\$1.164 million while US\$0.142 million was paid in FY 2020.

“Net cash used in investing activities” amounted to US\$0.600 million in FY 2021, compared to “Net cash generated from investing activities” of US\$4.872 million in FY 2020. The “Net cash used in investing activities” was mainly due to “Purchase of property, plant equipment” of US\$0.837 million in FY 2021. Whilst in FY 2020, the “Net cash generated from investing activities” in FY 2020 was mainly due to US\$3.836 million “Proceed from disposal of non-current asset held for sale” and US\$1.102 million “Dividend income from non-current asset held for sale”.

“Net cash used in financing activities” amounted to US\$3.515 million in FY 2021, compared to US\$4.723 million in FY 2020. The “Net cash used in financing activities” was largely attributed to “Repayment of bank borrowings”, “Increase in fixed deposits pledged with financial institutions for bank facilities”, “Repayment of lease liabilities” and “Dividend paid” of US\$1.678 million, US\$0.413 million, US\$0.932 million and US\$0.442 million respectively in FY 2021. Whilst in FY 2020, the “Net cash used in financing activities” was largely attributed to “Repayment of bank borrowings”, “Repayment of lease liabilities” and “Dividend paid” of US\$2.476 million, US\$1.695 million and US\$0.419 million respectively.

2H 2021 vs 2H 2020

“Net cash generated from operating activities” was US\$10.638 million in 2H 2021, compared to “Net cash generated from operating activities” of US\$2.250 million in 2H 2020 largely due to:

- (i) The “Operating cash flow before working capital changes” generated cash amounted to US\$7.052 million in 2H 2021, compared to US\$3.886 million in 2H 2020;
- (ii) Cash used in “Receivables” in 2H 2021 was US\$11.302 million, compared to US\$11.369 million in 2H 2020;
- (iii) Cash generated from “Payables” in 2H 2021 was US\$15.477 million, compared to US\$9.536 million in 2H 2020; and
- (iv) “Income tax paid” in 2H 2021 was US\$0.820 million while US\$0.092 million was paid in 2H 2020.

“Net cash used in investing activities” amounted to US\$0.434 million in 2H 2021, compared to US\$0.095 million in 2H 2020. “Net cash used in investing activities” was mainly due to “Purchase of property, plant equipment” US\$0.465 million in 2H 2021 and US\$0.115 million in 2H 2020.

“Net cash used in financing activities” amounted to US\$1.142 million in 2H 2021, compared to US\$1.029 million in 2H 2020. In 2H 2021, the “Net cash used in financing activities” was largely attributed to “Increase in fixed deposits pledged with financial institutions for bank facilities”, “Repayment of lease liabilities” and “Dividend paid” of US\$0.413 million, US\$0.433 million and US\$0.218 million respectively. Whilst in 2H 2020, the “Net cash used in financing activities” was largely attributed to “Repayment of lease liabilities” and “Dividend paid” of US\$0.566 million and US\$0.419 million respectively.

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 2021.

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.

As the adage goes, "life can get a little bumpy, but stay on course". Looking ahead in 2022, we expect great uncertainty and volatility. We are unable to provide any assurance at this point, whether we can repeat our milestone growth rate of logistics business, as we did last year. To continue with the positive momentum, we need our aviation business and logistics business to overcome the headwinds we expect in 2022. Both business units are highly correlated to the performance of global economy.

5. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim declared and paid	Final proposed	Special proposed
Dividend Type	Cash	Cash	Cash
Dividend Amount per ordinary Share (S\$ cents)	0.50	0.50	4.80
Tax Rate	One-tier tax exempt	One-tier tax exempt	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, in addition to the interim dividend of 0.50 Singapore cent per share, which was declared and paid on 17 September 2021, the following one-tier tax exempt dividend, in respect of financial year ended 31 December 2021, have been proposed:

- (i) a final dividend of 0.50 Singapore cent per share; and
- (ii) a special dividend of 4.80 Singapore cent per share.

(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
Dividend Type	Cash
Dividend Amount per ordinary Share (S\$ cents)	0.375
Tax Rate	One-tier tax exempt

(c) Date payable

25 May 2022

(d) Record date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed from 5.00pm on 10 May 2022 for the purpose of determining shareholders' entitlements to the proposed final and special dividends to be paid on 25 May 2022, subject to and contingent upon shareholders' approval for the proposed dividends being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 up to 5.00pm on 10 May 2022 will be registered before entitlements to the dividends are determined.

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 2021 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 19 to 24 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	61	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	55	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

Hue Su Li
Joint Company Secretary

27 February 2022