A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

In accordance with Rule 1313(2) of the SGX Listing Manual, the Board of Directors of A-Sonic Aerospace Limited (the "Company") wishes to provide the following update for the first quarter ended 31 March 2021 ("**1Q 2021**").

1. Quarterly Update

We were on uncharted waters for the financial year ended 31 December 2020 ("**FY 2020**"). Covid-19 is expected to continue for most of 2021 year, and may be, well beyond.

Coupled with Covid-19 and the fear of future pandemics, we encounter two simultaneous complications: (i) the economic turbulence on global scale; and (ii) that of a new future that we must adapt to. Market demand, supply chains, and the way work is organised, are all rapidly changing. These interacting realities render our economic sustainability rather uncertain and daunting.

Despite the Company and its subsidiaries (the "**A-Sonic Group**" or the "**Group**") having:

(i) Recorded profits for the last three (3) financial years ended 31 December 2018 ("**FY 2018**"), 31 December 2019 ("**FY 2019**"), and 31 December 2020 ("**FY 2020**");

(ii) Consolidated "Equity Attributable to Equity holders of the Company" ("**NTA**" or "**Net Book Value**") of S$47.914 million (or US$36.241 million) as at 31 December 2020; and

(iii) Paid / declared dividend for the three (3) financial years, since FY 2018, FY 2019, and FY 2020,

we are still on the SGX watch list. This is SOLELY because the Company has not achieved the SGX-ST requisite average daily market capitalization of S$40 million over the last six (6) months.

2. Financial Results

		FY 2018	FY 2019	FY 2020
(i) Profit Before Tax (**US$'000**)	:	812	3,481	7,920
(**Equivalent S$'000**)	:	1,095[(1)]	4,744[(2)]	10,907[(3)]
(ii) Profit After Tax (**US$'000**)	:	630	3,107	7,638
(**Equivalent S$'000**)	:	850[(1)]	4,235[(2)]	10,518[(3)]
(iii) Net Profit Attributable to Equity Holders of the Company	:	1,481	2,533	6,327
(**US$'000**) (**Equivalent S$'000**)	:	1,997[(1)]	3,452[(2)]	8,713[(3)]
(iv) Earnings Per Share ("EPS") (**Equivalent S$ cents**)[(4)]	:	3.4	5.9	14.9
(v) Net Assets (Attributable to Equity Holders of the Company) ("NA") (**US$'000**)	:	27,676	29,821	36,241
(**Equivalent S$'000**)	:	37,758[(1)]	40,160[(2)]	47,914[(3)]
(vi) NA/share (**S$ cents**)	:	64.6[(1)]	68.7[(2)]	81.9[(3)]
(vii) Historical Price Earnings Ratio (Historical)[(5)]	:	20.1	11.6	4.6
(viii) Share Price at Premium/ (Discount) to NA [(6)]	:	6.0%	(0.3)%	(16.4)%
(ix) Bank Gearing Ratio (Bank borrowing)	:	15.1%	14.4%	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 30 December 2020 (End rate at US$1=S$1.3221 & Ave rate at US$1= S$1.3771).
(4) Based on "Net Profit After Tax Attributable to Equity Holders of the Company" FY 2018, FY 2019 and FY 2020.
(5) Share price was based on the closing market price of S$0.685 on 26 April 2021, and earning was based on "Net Profit After Tax Attributable to the Equity Holders of the Company".
(6) Share price was based on closing market price of S$0.685 on 26 April 2021.

3. Action Taken

3.1 On 27 April 2021, we announced that we had submitted an application to the SGX-ST to request for a further extension of twelve (12) months ("**Further Extension Application**") from the previous 36 months ("**Cure Period**") commencing 5 June 2017. In June 2020, we had received approval to extend the Cure Period ("**Extension of Cure Period**") for a period of twelve (12) months, which would expire next month on 4 June 2021.

3.2 We applied to SGX-ST for the Further Extension Application on the following grounds:

(i) The management endeavours to strive for our economic sustainability and financial strength in the interest of our shareholders. In summary, management will take steps and measures within our capability to attempt to navigate through the turbulent economic conditions. For example, we attempt to: (i) restructure our business and operations, especially an entity which is incurring losses; and (ii) attempt to increase productivity;

(ii) However, our market capitalisation is highly correlated to the liquidity of our trading share price. Making it even worse, potential share investors will stay on the sideline due to concerns with the watch-list status and potential delisting, despite improved financial performance and position. Hence, an unenviable situation to achieve a market capitalization of S$40 million, even though our Net Book Value stood at S$47.914 million as at 31 December 2020;

(iii) Fund managers and share investors are either unable, unwilling, or unlikely, to invest in a Company with the "watch list" stigma. Even with road-shows to fund managers and investors, there is no assurance for them that our average daily share price is able to consistently exceed 68.50 cents per share for the last six (6) months, despite our net book value per share of approximately S$0.819 as at 31 December 2020; and

(iv) The current global Covid-19 pandemic and existing market condition makes it even more difficult for us to achieve the SGX requisite S$40 million market capitalization.

4. Further Material Development

The Company will make immediate announcement in the event there is any material development.

5. About Us

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 March 2020.

Our aviation business relates to the sale and purchase of aircraft and aircraft engines.

Our logistics business relates to supply chain management services and logistics solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and airport ground services.

ISSUED BY ORDER OF THE BOARD

Seoh Choon Hong
Joint Company Secretary

5 May 2021