

**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 an update of the results for the first quarter ended 31 March 2019 (“**1Q 2019**”).

**Update on Financial Results**

We continued the momentum to finish 1Q 2019 results with a positive note. The Company and its subsidiaries (the “**A-Sonic Group**” or “**Group**”) achieved “Profit Before Tax” of US\$0.263 million in 1Q 2019.

At “Profit Attributable to Equity Holders of the Company” level, our Group’s result in 1Q 2019 was even better. Excluding “Non-controlling interests”, “Profit Attributable to Equity Holders of the Company” was US\$0.431 million in 1Q 2019.

Two of the three operating business units achieved profits in 1Q 2019, as shown in the table below:

<b>Business Unit Performance</b>	<b>“Profit/(loss) Attributable to Equity Holders of the Company” for 3 months ended 31 March 2019 (“1Q 2019”)</b>
(i) Aviation	US\$0.073 million
(ii) Logistics sub-unit operating under “A-Sonic Logistics” brand	US\$0.528 million
(iii) Logistics sub-unit operating under “UBI Logistics” group	(US\$0.170 million)
Consolidated A-Sonic Group	<u>US\$0.431 million</u>

The Company was placed on the watch-list on 5 June 2017 as the Company recorded:

- (i) pre-tax losses for financial year (“FY”) 2015, FY 2016 and FY 2017 (based on audited full year consolidated accounts) and an average daily market capitalization of less than S\$40 million over the last six (6) months (“Financial Entry Criteria”); and
- (ii) a volume weighted average price of less than S\$0.20 and an average daily market capitalization of less than S\$40 million over the last six (6) months (“MTP Entry Criteria”).

We wish to highlight that:

- (i) Our Group achieved profits for the last audited financial year ended 31 December 2018 (“FY 2018”), and for 1Q 2019;
- (ii) Between 1 December 2018 and 10 May 2019, the date of announcement, the Company achieved a volume weighted average price of approximately S\$0.22; and
- (iii) However, the average daily market capitalization is still less than S\$40 million over the last six (6) months.

**Action Taken**

We will continue to:

- (i) restructure the operations and business of subsidiaries or associated companies that are incurring losses;
- (ii) attempt to reduce our operating costs and increase productivity; and
- (iii) restructure and attempt to reduce foreign exchange currency impact on our business, where commercially feasible.

**Further Material Development**

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

ISSUED BY ORDER OF THE BOARD

Loo Keat Choon  
Joint Company Secretary

10 May 2019