



A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

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

A-Sonic Aerospace Limited (the “**Company**”) was placed on the watch-list on 5 June 2017 as the Company recorded:

- (i) pre-tax losses for the three most recently completed consecutive financial years (based on audited full year consolidated accounts and an average daily market capitalization of less than S\$40 million over the last 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 6 months (“**MTP Entry Criteria**”).

In accordance with Rule 1313(2) of the SGX Listing Manual, the Board of Directors of the Company wishes to provide the following update for the third quarter ended 30 September 2017, and first nine months ended 30 September 2017.

Update on Financial

- (a) In 9M 2017, our losses narrowed largely due to improved performance from our logistics business unit operating under the branding “A-Sonic Logistics”. Excluding “Non-controlling interests”, we incurred “Loss attributable to Equity holders of the Company” of US\$1.331 million in 9M 2017, compared to US\$1.815 million in 9M 2016.

The “Loss attributable to Equity holders of the Company” of the “Aviation” business unit and “UBI Logistics” business unit was US\$1.050 million, and US\$0.336 million, respectively. The losses were partially offset by the US\$0.055 million “Profit attributable to Equity holders of the Company” recorded by the “A-Sonic Logistics” business unit.

- (b) In 3Q 2017, we incurred a smaller “*Loss attributable to Equity holders of the Company*” of US\$0.227 million, compared to US\$0.764 million in 3Q 2016, for the same reason elaborated in sub-paragraph (a) above.
- (c) Foreign currency exchange fluctuations had a significant impact on our results. In 9M 2017, we incurred foreign currency exchange (“forex”) losses of US\$0.497 million. In contrast, in 9M 2016, we recorded a forex gain of US\$0.491 million. Excluding a forex loss of US\$0.497 million in 9M 2017, our “Loss before tax” would have narrowed to US\$1.087 million in 9M 2017, compared to US\$2.193 million in 9M 2016.

Action Taken

While we are encouraged by the turnaround of the business unit under “A-Sonic Logistics” branding in 9M 2017, we are mindful of the seasonal effects of the industry. Nonetheless, this serves to guide “A-Sonic Logistics” business unit to strive relentlessly to:

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

The aviation business unit is attempting to generate revenue from the sale of aircraft, and to collect third-party debts.

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

13 November 2017