



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 third quarter (3Q) ended 30 September 2018, and Nine Month (9M) 2018:

Update on Financial

(a) 3Q 2018

In 3Q 2018, our Group registered: "Profit attributable to equity holders of the Company" of US\$0.003 million, in contrast to "Loss attributable to equity holders of the Company" of US\$0.227 million in 3Q 2017, largely due to:

- (a) A turnaround of the aviation business to a "Profit attributable to equity holders of the Company" of US\$0.091 million in 3Q 2018, compared to a "Loss attributable to equity holders of the Company" of US\$0.340 million in 3Q 2017; and
- (b) The logistics business unit operating under "A-Sonic Logistics" branding achieved higher "Profit attributable to equity holders of the Company" of US\$0.346 million in 3Q 2018, compared to US\$0.243 million in 3Q 2017.

Had the losses of "UBI Logistics" sub-group been excluded, the aviation business and the logistics business unit operating under the "A-Sonic Logistics" branding would have recorded an even higher "Profit attributable to equity holders of the Company" of US\$0.437 million for 3Q 2018.

We achieved "Profit attributable to equity holders of the Company" of US\$0.003 million in 3Q 2018, despite a "Loss before tax" of US\$0.376 million in 3Q 2018 due to the "Loss before tax" of US\$0.831 million incurred by our subsidiary "UBI Logistics" sub-group. Excluding our "Non-controlling interest" of an effective 49%, we achieved "Profit attributable to equity shareholders of the Company" of US\$0.003 million in 3Q 2018.

(b) 9M 2018

In 9M 2018, we achieved a turnaround position, compared to a loss in 9M 2017. We recorded "Profit attributable to equity holders of the Company" of US\$0.695 million in 9M 2018, compared to "Loss attributable to equity holders of the Company" of US\$1.331 million in 9M 2017. The improvement was largely due to:

- (a) A turnaround of the aviation business to a "Profit attributable to equity holders of the Company" of US\$0.742 million in 9M 2018, compared to a "Loss attributable to equity holders of the Company" of US\$1.050 million in 9M 2017; and
- (b) A turnaround of the logistics business unit operating under the "A-Sonic Logistics" branding to a "Profit attributable to equity holders of the Company" of US\$0.906 million in 9M 2018, compared to a "Profit attributable to equity holders of the Company" of US\$0.055 million in 9M 2017.

The improvements of the aviation business and the logistics business unit operating under the "A-Sonic logistics" branding were, however, partially offset by the US\$0.953 million losses incurred by "UBI Logistics" sub-group.

Had the losses of "UBI Logistics" sub-group been excluded, the aviation business and the logistics business unit operating under the "A-Sonic Logistics" branding would have recorded an even higher "Profit attributable to equity holders of the Company" of US\$1.648 million in 9M 2018.

We achieved “Profit attributable to equity holders of the Company” of US\$0.695 million in 9M 2018, despite a “Loss before tax” of US\$0.191 million in 9M 2018 due to the “Loss before tax” of US\$1.894 million incurred by our subsidiary “UBI Logisitcs” sub-group. Excluding our “Non-controlling interest” of an effective 49%, we managed to achieve “Profit attributable to equity holders of the Company” of US\$0.695 million in 9M 2018.

Business Unit Performance

In the 3Q and 9M 2018, our Group registered “Profit attributable to equity holders of the Company” of US\$0.003 million and US\$0.695 million respectively. The breakdown by business unit are as below:

Business Unit Performance	Profit attributable to equity holders of the Company for 3 months ended (3Q 2018)	Profit attributable to equity holders of the Company for 9 months ended (9M 2018)
(i) Aviation :	US\$0.091 million	US\$0.742 million
(ii) Logistics sub-unit operating under “A-Sonic Logistics” brand :	US\$0.346 million	US\$0.906 million
(iii) Logistics sub-unit operating under “UBI Logistics” group :	(US\$0.434 million)	(US\$0.953 million)
Consolidated A-Sonic Group :	<u>US\$0.003 million</u>	<u>US\$0.695 million</u>

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**”).

Action Taken

Despite recording “Profit attributable to equity holders of the Company” for the last three consecutive quarters, there is still a lot of work to be done to achieve longer-term sustainability for each of the business unit. “A-Sonic Logistics” brand will remain focus to streamline our logistics business to solidify our foundation. We will continue to:

- (i) Build strength-on-strength to execute our enterprise initiative. Each “A-Sonic Logistics” office must operate efficiently, effectively and productively, or otherwise risk of being restructured; and
- (ii) Reduce our operating costs and increase productivity, leveraging on the qualitative sources of growth with investment in technology.

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 2018