

ANNOUNCEMENT

The Board of Directors of A-Sonic Aerospace Limited (the "**Company**") wishes to announce that one of its subsidiaries had on, 4 September 2015, entered and completed the Sale and Purchase Agreement (the "**Agreement**") with WFC Investment B.V. ("**WFC**"). The Agreement provides that the Company shall divest and WFC shall purchase the remaining 710,377 ordinary shares in the issued paid-up share capital of Worldwide GSA Pte. Ltd. ("**WWGSA**") (the "**Shares**"), representing approximately 50% of the equity interest in WWGSA (the "**Transaction**"). The cash consideration for the Transaction was S\$6.280 million ("**Consideration**"). After the Transaction, the Company will not own any direct or indirect interest in WWGSA and its subsidiaries ("**WWGSA Group**").

Information on WWGSA

WWGSA Group is engaged as a cargo general sales agent for various international airlines in 8 countries in Asia and Australasia. For the six (6) months ended 30 June 2015, WWGSA Group contributed a profit (share of results of joint venture) of US\$0.181 million to the Company and its subsidiaries ("**A-Sonic Group**"). As at the latest announced results for the six (6) months ended 30 June 2015, the share of the unaudited net asset value of WWGSA Group was US\$0.315 million. This constituted approximately 1% of the A-Sonic Group's unaudited consolidated net asset value of approximately US\$35.881 million (or equivalent to approximately S\$48.244 million) as at 30 June 2015, being the last announced consolidated accounts of the A-Sonic Group.

Consideration

The Consideration for the Transaction was negotiated and arrived at on a willing-buyer, willing-seller basis, and after having regards to the regional network, business operations, and international airline representation of the WWGSA Group.

Rationale

The rationale for this Transaction is in line with the A-Sonic Group's plan to divest its non-core business. The Transaction is not expected to change the risk profile of the A-Sonic Group as WWGSA Group's net assets constituted approximately only 1% of the A-Sonic Group's unaudited consolidated net asset value as at 30 June 2015.

Rule 1010

The relative figures as computed under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX Listing Manual**") are as set out below:

- (i) Rule 1006 (a) of the SGX Listing Manual: The net asset value of the Shares was approximately US\$0.315 million (or equivalent to approximately S\$0.423 million) as at 30 June 2015. This constituted approximately 1% of the A-Sonic Group's unaudited consolidated net asset value of approximately US\$35.881 million (or equivalent to approximately S\$48.244 million) as at 30 June 2015, being the last announced unaudited consolidated accounts of the A-Sonic Group;
- (ii) Rule 1006 (b) of the SGX Listing Manual: The net profit before tax attributable to the Shares for the six months period ended 30 June 2015 was US\$0.276 million compared to the A-Sonic Group's net loss before tax of US\$2.620 million; and

- (iii) Rule 1006 (c) of the SGX Listing Manual: The cash consideration of S\$6.280 million for the Transaction constituted approximately 19.2% of the Company's market capitalization of S\$32.706 million as at 3 September 2015, based on the total number of issued shares. The market capitalization of the Company as at 3 September 2015 was computed based on paragraphs 4 and 5 of Rule 1002 of the SGX Listing Manual.

Gain on Transaction

The book value (excluding non-controlling interests) of the remaining approximately 50% equity interest in WWGSA Group based on unaudited consolidated accounts of the WWGSA Group was approximately US\$0.315 million (or equivalent to approximately S\$0.423 million as at 30 June 2015).

As a result of an earlier divestment as announced on 25 February 2013, the revalued net asset value of the remaining approximately 50% of WWGSA Group was US\$2,078,501 (or equivalent to S\$2,794,650). The revalued net asset value for the remaining approximately 50% equity stake in WWGSA Group was US\$2.322 million (or equivalent to S\$3.122 million) as at 30 June 2015.

Based on the Consideration of S\$6.280 million, the excess of the Consideration over the revalued net asset value of the Shares as at 30 June 2015 was estimated at approximately S\$3.158 million, or the approximate equivalent of US\$2.331 million.

Hence, gain from this transaction is estimated at US\$2.331 million, or is equivalent to S\$3.158 million. This is arrived at base on the Consideration of S\$6.280 million less the adjusted revalued net asset value of S\$3.122 million as at 30 June 2015.

The estimated gain of US\$2.331 million (or equivalent to S\$3.158 million) is expected to contribute positively to the results of the A-Sonic Group for the financial year ending 31 December 2015.

Financial Impact

In accordance with Rules 1010(8) and 1010(9) of the Listing Manual, the proforma financial impact of the Transaction on the A-Sonic Group based on the most recently completed audited financial year ended 31 December 2014 ("**FY 2014**") is shown below solely for illustrative purposes:-

	Proforma A-Sonic Group Before The Transaction	Proforma A-Sonic Group After The Transaction
Net tangible assets (in US\$'000)	38,290	40,621
Net profits attributable to equity holders of the Company (in US\$'000)	107	2,404
No. of issuer's shares in issue* ('000)	178,721	178,721
Net tangible asset per share * (in US cents)	21.4	22.7
Weighted average number of issuer's shares ** ('000)	178,858	178,858
Earnings per share ** (in US cents)	0.06	1.34

* *The number of issued shares as at 31 December 2014, adjusted for (i) 825,600 shares bought back and cancelled during the period from 1 January 2015 to 30 April 2015, (ii) shares consolidation for every four shares into one share on 13 May 2015 and (iii) 47,000 shares bought back and cancelled between 14 May 2015 and 30 June 2015.*

** *Adjusted weighted average number of shares based on number of shares in issue on 30 June 2015.*

There is no service contract with any person that will be appointed to the Company resulting from this Transaction.

Directors' Opinion

The Board of Directors of the Company is of the view that the Transaction should be in the interest of the A-Sonic Group for the reasons stated above.

Utilization of Sales Proceeds

The sale proceeds will be deposited in the bank and/or substantially utilized to reduce bank borrowing, pending deployment of the funds.

Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the Transaction.

Document for inspection

A copy of the Agreement is available for inspection by shareholders of the Company at 10 Anson Road, #24-07, International Plaza, Singapore 079903, from Monday to Friday (except public holidays) from 9.00 am to 5.00 pm till 4 December 2015.

ISSUED BY ORDER OF THE BOARD

Quek Ying Chui
Joint Company Secretary

4 September 2015