A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

(I) PROFITABLE: LAST 3.5 YEARS

(II) NET BOOK VALUE: S$52.601 MILLION @ 30 JUNE 2021

(II) PAID DIVIDEND LAST 3.5 YEARS;

STILL ON SGX WATCH LIST

A-Sonic Aerospace Limited (the "**Company**") and its subsidiaries (the "**Group**") had, achieved:

(i) Profitable and paid / declared dividends for the last 3.5 years, since FY 2018, FY 2019, FY 2020 and first six month ended 30 June 2021; and

(ii) "Net Assets (Attributable to Equity holders of the Company)" ("**NA**" or "**Net Book Value**") of S$52.601 million (or US$39.132 million) as at 30 June 2021.

Our Group's key financials for the last 3.5 years is attached at the Annex.

Despite the above, we remain on the SGX watch list, solely because we have not achieved an average daily market capitalization of S$40 million. In this regard, potential share investors may still stay on the sideline due to concerns with the watch-list status and potential delisting, despite improved financial performance and position. Fund managers and investors are either unable, unwilling, or unlikely, to invest in a Company with the "watch list" stigma.

Action Taken

We will continue to manage our business prudently, despite the challenging COVID-19 pandemic environment. Management can only strive for our economic sustainability and financial strength – taking all steps and measures to navigate and manage through the turbulent economic conditions. We attempt to: (i) restructure our business and operations in relation to any entity operating under "A-Sonic Logistics" brand name which incurs losses; and (ii) increase productivity.

In contrast, our market capitalization is highly correlated to the liquidity of our share trading price and the market's perception of our value of S$33.626 million as at 29 October 2021, despite our net book value of S$52.601 million as at 30 June 2021.

On 26 May 2021, the Company announced one (1) bonus warrant ("**Bonus Warrant**") for every four (4) existing shares of the Company. In our announcement dated 13 August 2021, we disclosed on page 13, that a total of 14,617,993 Bonus Warrants were issued.

The Bonus Warrants will be exercisable with effect from 15 January 2022 to 8 April 2022 (both dates inclusive).

The majority substantial shareholder and Director, Ms Janet Tan, had 8,378,806 Bonus Warrants as at 29 October 2021.

Another Director of the Company, Ms Irene Tay, had 224,450 Bonus Warrants as at 29 October 2021.

Each of the above two (2) Directors (collectively known as "**Two Directors**") has given a letter of undertaking to the Company dated 28 October 2021, stating that they each undertake to exercise their respective Bonus Warrants on 15 January 2022, the first (1st) day that the Bonus Warrants becomes exercisable to become a new share of the Company. After the exercise of their Bonus Warrants, the enlarged share capital of the Company will increase to 67,082,552 shares shortly after 15 January 2022, from the 58,479,296 existing issued shares as at the date of this announcement.

Solely for illustration purpose and assuming the Company's share price traded at $0.575, similar to the closing price of $0.575 as at 29 October 2021, the market capitalization of the Company would be approximately $38.6 million. However, the market capitalization of the Company is required to exceed S$40 million for six (6) months before the Company may apply to the SGX for exit from the SGX Watch List.

Notwithstanding the above illustration, there is no certainty on how the Company's share price may trade in the future. There is always the possibility that, in the future, the Company's share price may consistently trade lower than $0.575. As a result, the Company would not achieve the SGX requisite $40 million market capitalization. This and other factors prevailing in the future may affect exit from SGX Watch List.

The above illustration is based on the exercise of Bonus Warrants by only the Two (2) Directors, and excludes the other Bonus Warrants held by other shareholders. After the Two (2) Directors have exercised their Bonus Warrants, the remaining of up to 6,014,737 Bonus Warrants held by other shareholders will still be available to be exercised, between 15 January 2022 and 8 April 2022, to new ordinary shares of the Company.

Extension of Cure Time Grant

On 19 May 2021, we had announced that the Singapore Exchange Securities Trading Limited ("**SGX-ST**") had approved the extension application of the cure period to 4 June 2022. The SGX-ST's approval is subject to the following:

a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of announcement, the Company must make an update announcement when the conditions have all been met; and

b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

Further Material Development

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

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 620 personnel as at 30 June 2021.

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

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

ISSUED BY ORDER OF THE BOARD

Loo Keat Choon
Joint Company Secretary

31 October 2021

Annex

OUR GROUP'S KEY FINANCIALS FOR THE LAST 3.5 YEARS, FROM FY 2018 TO 1ST HALF 2021

		(12 months) FY 2018	(12 months) FY 2019	(12 months) FY 2020	(6 months) 1H 2021
(i) Profit Before Tax (**US$'000**)	:	812	3,481	7,920	4,441
(**Equivalent S$'000**)	:	1,095[1]	4,744[2]	10,907[3]	5,920[4]
(ii) Profit After Tax (**US$'000**)	:	630	3,107	7,638	4,044
(**Equivalent S$'000**)	:	850[1]	4,235[2]	10,518[3]	5,391[4]
(iii) Net Profit Attributable to Equity Holders of the Company (**US$'000**)	:	1,481	2,533	6,327	3,243
(**Equivalent S$'000**)	:	1,997[1]	3,452[2]	8,713[3]	4,323[4]
(iv) Earnings Per Share ("EPS") (**Equivalent S$ cents**)[5]	:	3.4	5.9	14.9	7.4
(v) Net Assets (Attributable to Equity Holders of the Company) ("NTA") (**US$'000**)	:	27,676	29,821	36,241	39,132
(**Equivalent S$'000**)	:	37,758[1]	40,160[2]	47,914[3]	52,601[4]
(vi) NTA/share (**S$ cents**)	:	64.6[1]	68.7[2]	81.9[3]	89.9[4]
(vii) Historical Price Earnings Ratio (Historical)[6] **(times)**	:	16.9x	9.7x	3.9x	N.A[7]
(viii) Share Price at Discount to NTA [8] **(%)**	:	11.0%	16.3%	29.8%	36.0%
(ix) Bank Gearing **(%)** (Bank borrowing/NTA)	:	15.1%	14.4%	4.8%	0.3%

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 31 December 2020 (End rate at US$1=S$1.3221 & Ave rate at US$1= S$1.3771).

(4) Based on foreign currency exchange rate on 30 June 2021 (End rate at US$1=S$1.3442 & Ave rate at US$1= S$1.3331).

(5) Based on "Net Profit After Tax Attributable to Equity Holders of the Company" FY 2018, FY 2019, FY 2020 and 1H 2021.

(6) Share price was based on the closing market price of S$0.575 on 29 October 2021, and earning was based on "Net Profit After Tax Attributable to the Equity Holders of the Company".

(7) N.A. denotes "Not Applicable"

(8) Share price was based on closing market price of S$0.575 on 29 October 2021.