

A-SONIC AEROSPACE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 200301838G

MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT CREATIVE BOX, LEVEL 6, 1 STRAITS BOULEVARD, SINGAPORE 018906 ON WEDNESDAY, 26 APRIL 2023 AT 3.00 P.M.

PRESENT : AS PER ATTENDANCE SHEET

CHAIRMAN

Ms Janet Tan (the “Chairman”) chaired the meeting.

The Chairman welcomed the members to the Twentieth Annual General Meeting and introduced the Directors, namely Ms Jenny Tan, Ms Irene Tay, Mr Yam Mow Lam, Mr Gurbachan Singh and Dr Wang Kai Yuen to the members.

QUORUM

There being a quorum present, the Chairman called the AGM to order at 3.00 p.m.

NOTICE OF MEETING

Following the address, the Chairman proposed that the notice to convene the meeting, which had been publicly published, be taken as read.

Voting of all resolutions at the meeting were conducted by way of a poll as required by the Listing Rules.

Reliance 3P Advisory Pte. Ltd. and Central Management Pte Ltd were appointed as scrutineer and polling agent, respectively, for the poll. A manual poll was conducted for all the resolutions towards the end of the meeting after all the resolutions were proposed and seconded.

Shareholders had been given the opportunity to send, or email, their questions prior to the AGM. The Company did not receive any questions prior to the AGM. Members could also raise any queries at the meeting. At this juncture, shareholders raised a few clarifications in relation to the business and affairs of the Company and its subsidiaries. Responses to substantial and relevant questions from our shareholders during the AGM was attached at Appendix 1.

BUSINESS OF MEETING

AS ROUTINE BUSINESS ORDINARY RESOLUTIONS

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

Chairman proposed the ordinary resolution to vote: "That the directors' statement and audited financial statements for the year ended 31 December 2022 and the auditors' report thereon be received and adopted."

The results of the votes were:

Number of shares voted for was 68,590,992 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

2. FINAL TAX EXEMPT DIVIDEND

Chairman proposed the ordinary resolution to vote: "That a final one-tier tax exempt dividend of 0.75 Singapore cent per share for the year ended 31 December 2022 be approved".

The results of the votes were:

Number of shares voted for was 68,591,109 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

3. DIRECTORS' FEES

Chairman proposed the ordinary resolution to vote: "That the directors' fees of S\$164,807 for the financial year ended 31 December 2022 be approved".

The results of the votes were:

Number of shares voted for was 68,591,109 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

4(a). RE-ELECTION OF MS JANET LC TAN

The Chairman informed the meeting that she was due for retirement by rotation in accordance with Regulation 91 of the Company's Constitution, and being eligible, offered herself for re-election. In view that the next motion was for her re-election, the Chairman invited Ms Jenny Tan Lay Yong to chair the meeting on the proposal for the motion on her re-election. Ms Jenny Tan Lay Yong accordingly took over the chair. Additional information on Ms Janet LC Tan could be found on pages 97 to 101 of the Company's Annual Report 2022.

Chairman proposed the ordinary resolution to vote: "That Ms Janet LC Tan, retiring pursuant to Regulation 91 of the Company's Constitution be re-elected as a director of the Company".

The results of the votes were:

Number of shares voted for was 68,591,109 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

The Chairman moved on to the next item of the agenda.

4(b). RE-ELECTION OF MR YAM MOW LAM

The Chairman informed the meeting that Mr Yam Mow Lam was to retire by rotation in accordance with Regulation 91 of the Company's Constitution at the meeting, and being eligible, offered himself for re-election. Mr Yam Mow Lam has been an independent director and if re-elected as a director, he would remain as a Chairman of the Audit and Risk Management Committee, a member of the Remuneration Committee and Nominating Committee. Additional information on Mr Yam Mow Lam could be found on pages 97 to 101 of the Company's Annual Report 2022.

Chairman proposed the ordinary resolution to vote: "That Mr Yam Mow Lam, retiring pursuant to regulation 91 of the Company's Constitution, be re-elected as a director of the Company".

The results of the votes were :

Number of shares voted for was 68,590,986 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

5. RE-ELECTION OF DR WANG KAI YUEN

The Chairman informed the meeting that Dr Wang Kai Yuen was to retire by rotation in accordance with Regulation 97 of the Company's Constitution at the meeting, and being eligible, offered himself for re-election. Dr Wang Kai Yuen has been an independent director and if re-elected as a director, he would remain as a member of the Audit and Risk Management Committee and Remuneration Committee. Additional information on Dr Wang Kai Yuen could be found on pages 102 to 104 of the Company's Annual Report 2022.

Chairman proposed the ordinary resolution to vote: "That Dr Wang Kai Yuen, retiring pursuant to regulation 97 of the Company's Constitution, be re-elected as a director of the Company".

The results of the votes were :

Number of shares voted for was 68,591,109 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

6. AUDITORS

The Chairman informed the meeting that Baker Tilly TFW LLP, had expressed their willingness to accept re-appointment as Auditors of the Company.

Chairman proposed the ordinary resolution to vote: "That Baker Tilly TFW LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at a remuneration to be fixed by the directors of the Company."

The results of the votes were:

Number of shares voted for was 68,591,109 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

**AS SPECIAL BUSINESS
ORDINARY RESOLUTIONS**

7. AUTHORITY TO ALLOT AND ISSUE SHARES

Chairman proposed the original resolution to vote as set out in agenda item 7 in the notice of AGM:

“7 Authority to allot and issue shares

- (a) That pursuant to Section 161 of the Companies Act 1967 (“Companies Act”) and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the directors of the Company at any time upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit, to:
 - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “Instruments”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (b) notwithstanding the authority conferred by the shareholders may be ceased to be in force, issue shares in pursuance of any Instruments made or granted by the directors while the authority was in force,

provided always that

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company’s total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be the Company’s total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time this resolution is passed, after adjusting for:

- (aa) new shares arising from the conversion or exercise of convertible securities;
- (bb) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- (cc) any subsequent bonus issue, consolidation or subdivision of the Company's shares;

and adjustments in accordance with (aa) or (bb) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution; and

- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

The results of the votes were:

Number of shares voted for was 68,587,359 representing 99.99%,

Number of shares voted against was 3,750 representing 0.01%.

Based on the results, the Chairman declared the ordinary resolution carried.

Chairman moved on to the next item of the agenda.

8. APPROVAL FOR RENEWAL OF SHARE BUYBACK MANDATE

Chairman proposed the ordinary resolution to vote as set out in agenda item 8 in the notice of AGM:

"8 Renewal of Share Buyback Mandate

That:

- (a) for the purposes of the Companies Act, the exercise by the directors of the Company ("Directors") of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:
 - (i) market purchase(s) ("Market Purchase") on the SGX-ST; and/or
 - (ii) off-market purchase(s) ("Off-Market Purchase") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

- (b) unless varied or revoked by the shareholders of the Company (the “Shareholders”) in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next annual general meeting of the Company is held or required by law to be held; or
 - (ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting; or
 - (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding,

- (i) in the case of a Market Purchase, 105% of the Average Closing Market Price; and
- (ii) in the case of an Off-Market Purchase, pursuant to an equal access scheme, 120% of the Highest Last Dealt Price;

“Maximum Limit” means the number of issued Shares representing 10% of the total number of issued Shares of the Company as at the date of the passing of this Resolution;

“Average Closing Market Price” means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchase is made;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of making of the offer pursuant to the Off-Market Purchase;

“day of making of the offer” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“Market Day” means a day on which the SGX-ST is open for trading of securities.

- (d) any Director be and is hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.”

The results of the votes were:

Number of shares voted for was 68,591,109 representing 100%,

Number of shares voted against was nil representing 0%.

Based on the results, the Chairman declared the ordinary resolution carried.

CLOSURE

There being no other special business, the meeting ended at 5.00 p.m. with a vote of thanks to the Chairman.

Recorded By:

Vetted By:

Ms Hue Su Li
Joint Company Secretary

Ms Janet Tan
Chairman

Appendix 1

Responses to substantial questions from our shareholders

We have set out our responses to the questions raised through the following themes:

- (i) Aviation Business;
- (ii) Logistics Business;
- (iii) Dividend;
- (iv) Corporate Actions; and
- (v) General

Theme	No.	Questions	Responses
Aviation Business	A1	The Group has 2 business segments, logistics & aviation. The “Turnover” generated from the aviation business was minimal in FY 2022. What is the reason to maintain the aviation business unit?	<p>The A-Sonic Group was originally established as an aviation business.</p> <p>For now, the aviation business is ad hoc and opportunistic.</p>
	A2	What is the status of the office unit at International Plaza?	The en bloc sale fell through. As a result, we leased out a portion of the office unit at International Plaza to generate rental income, and retained a portion of the office unit for our own use.
Logistics Business	L1	The Group's “Turnover” decreased significantly in FY 2022. Please elaborate.	<p>Our Group's “Turnover” declined US\$80.867 million (17.6%) to US\$378.781 million in the financial year ended 31 December 2022 (“FY 2022”), compared to US\$459.648 million for FY 2021. The contraction in our Group's Turnover in FY 2022 was attributable to US\$101.732 million lower “Turnover” contribution from our logistics business activities in The People's Republic of China (“PRC”) (including Hong Kong S.A.R.). The decrease in “Turnover” from this region, was primarily due to a reduction in cargo volume, and lower freight rates, resulting from the protracted Covid-19 lock down restrictions.</p> <p>A summary of the Group's “Turnover” and “Profit Attributable to Equity Holders of the Company” in FY 2022 v FY 2021 was presented at Exhibit 1. An explanation for the contraction in FY 2022, compared to FY 2021 was elaborated at Exhibit 1.</p>

Theme	No.	Questions	Responses
	L2	The Group's "Turnover" declined significantly in FY 2022, compared to FY 2021, primarily due to the contraction of the economy in The People's Republic's of China ("PRC"). Do you see a recovery in the PRC?	<p>In general, the Baltic Dry Index ("BDI") is often viewed as a leading indicator of economic activity because changes in the index reflect supply and demand for important materials used in manufacturing.</p> <p>A presentation slide on the BDI over the last 30 years, since 1990 to-date was shared with the shareholders, as shown at Exhibit 2. This slide showed where the BDI stood today, compared to the 1990s.</p> <p>With several macro-economic headwinds such as:</p> <ul style="list-style-type: none"> (i) Higher-for-longer inflation and rates; (ii) Marked volatility; (iii) Potential debt crisis; and (iv) Geopolitical fault lines, <p>we expect the market to remain volatile.</p> <p>We noted, however, that the gross domestic product ("GDP") of the PRC grew by 4.5% in 1Q 2023, according to "China's National Bureau of Statistics".</p>
	L3	Does SATS acquisition of World Flight Services recently have any impact to the logistics business?	The acquisition does not have any impact on A-Sonic's Group's logistics business.
Dividend	D1	Does the Company have a dividend policy?	<p>The Group intends to pay dividend when the Group generates operating profit in that financial year, and provided that:</p> <ul style="list-style-type: none"> (i) the Group's operating cash flow permits; (ii) having regards to the foreseeable growth plan of the Group; and (iii) depending on the prevailing economic and financial market environment.

Theme	No.	Questions	Responses
	D2	Why was dividend reduced to 0.75 cents per share?	<p>A Shareholder who held on to A-Sonic shares, was not worse off in respect of dividends.</p> <p>We took into account the two (2) bonus issues undertaken in August 2022 ("1 for 4") and 13 March 2023 ("1 for 5").</p> <p>The above two bonus issues effectively meant that a shareholder would have one (1) additional share for every two (2) existing shares, (excluding the earlier 1 for 4 bonus warrant completed in April 2022). In this case, a shareholder would have received a dividend of 2.25 cents (ie. 0.75 cents x 3 shares), instead of 2 cents (1 cent x 2 shares).</p>
Corporate Actions	CA1	Why did the Company issue bonus shares in FY 2022?	<p>The Company undertook the following corporate exercises in FY 2022, and to-date:</p> <ul style="list-style-type: none"> (i) <u>1 for 4 bonus warrants</u> at an exercise price of 8 Singapore cents per warrant, which was completed in April 2022; (ii) <u>1 for 4 bonus issue</u> in August 2022; and (iii) <u>1 for 5 bonus issue</u> in March 2023 <p>The intended purpose of the above corporate exercises was two-fold:</p> <ul style="list-style-type: none"> (i) to attempt to increase the liquidity of trading in the Company's shares. The Company increased its issued shares to 106,693,721 as at the date of this AGM, compared to 58,479,296 issued shares as at 31 December 2021. There was an increase of 48,214,425 issued shares, as shown at <u>Exhibit 3</u>; and (ii) to reward loyal shareholders. <p>While we took cognizance that value creation was based on the Group's ability to generate growth in earnings, we have empirical evidence that the abovementioned corporate exercises did not prejudice the interests of shareholders. This was evident as elaborated at <u>Exhibit 4</u>, which was intended solely for illustration purpose.</p>

Theme	No.	Questions	Responses
General	G1	Please give guidance on the decrease in "Computer related expenses" from US\$1.008 million in FY 2021 to US\$0.326 million in FY 2022, as stated at page 66 of the AR 2022.	<p>In FY 2021, we incurred a higher "Computer related expenses" of US\$1.008 million, largely owing to a major IT system development at a principal subsidiary in the PRC. We were developing and upgrading our IT systems.</p> <p>In FY 2022, our "Computer related expenses" declined as a major portion of the abovesaid upgrading and enhancements were completed. We will continue, however, to enhance and upgrade our various IT systems.</p>
	G2	The Group's interest income of US\$196k of approximately 1.3% seems low in comparison to the fixed deposits of US\$14.937 million as at 31 Dec 2022. Please explain.	The fixed deposit of US\$14.937 million was as at 31 Dec 2022. It resulted from the accumulation, from 1 January 2022, which was approximately US\$9.954 million at the beginning of the FY. In addition, the interest rates of each country varies.
	G3	Is all of the Group's fixed deposit in Singapore?	In FY 2022, the Group's fixed deposits were mainly in Singapore, Malaysia and Hong Kong.
	G4	Does the Company foresee any share buy-back? If not, why is the company seeking shareholders approval for share buyback?	The Company does not foresee any "share buy-back over the next 12 months. However, the "Share-Buy Mandate" sought from shareholders at this AGM was intended as a precautionary measure, in the event that we needed to invoke this under an unexpected circumstance.

FY 2022 RESULTS

	FY 2021	FY 2022	Change (%)
(i) Total Revenue	US\$460,925m S\$619,022m	US\$380,031m S\$523,569m	-17.6%
(ii) Profit Attributable to Equity holders of the Company	US\$6,617m S\$8,887m	US\$4,878m S\$6,720m	-26.3%

“Turnover” and “Earnings” decreased largely due to five (5) key factors:

- (i) **Lower (US\$101.732 million or 29.8%) “Turnover”** contribution from logistics business in **PRC and HK**;
- (ii) **Reduction in cargo volume** due to contraction in global trade and economic slow down;
- (iii) **Freight rates declined** due to over supply of capacity and lack of cargo volume leading to over supply of carrier capacity;
- (iv) **Sharp contraction in the 2H**, particularly in **PRC and HK**; and
- (v) **Compression in GP margins**.

BALTIC DRY INDEX: AN INDICATOR TO GLOBAL DEMAND FOR COMMODITIES & RAW MATERIALS (FY 1990 – TO DATE)



Source: tradingview.com

As at 25 April 2023

CORPORATE ACTIONS IN FY 2022

Date	No. of Shares	Corporate Exercise
31 Dec 21	58,479,296	Number of issue shares
14 Apr 22	71,131,543	Exercise of <u>1 for 4 bonus warrants</u> completed (increased 12,652,247)
29 Aug 22	88,912,626	Increased 17,781,083 new shares (<u>bonus issue 1 for 4</u>) quoted & traded on SGX-ST
13 Mar 23	106,693,721	Increased 17,781,095 new shares (<u>bonus issue 1 for 5</u>) quoted & traded on SGX-ST

ENHANCING SHAREHOLDERS' VALUE

	Share Price as at	Value (\$)
(i) Assume 1,000,000 shares @ 31 Dec 2021	31/12/2021 (Fri) @ 0.630	S\$630,000
(ii) (a) After 1 for 4 Bonus Warrants (Assume fully exercise @ 8 cents) (b) 8 April 2022: 1,250,000 shares	(i) 8/4/2022 @ 0.690 = S\$862,500 (ii) <u>Less:</u> Exercise at 8 cents (S\$20,000) (iii) <u>Add:</u> Dividend: paid on 25 May 2022 Final: S\$0.005 Special: S\$0.048 = S\$0.053 = S\$66,250	S\$908,750
(iii) (a) After 1 for 4 bonus issue (312,500), on 29 August 2022: 1,562,500 shares	29/8/2022 @ 0.685	S\$1,070,312
(iv) (a) After 1 for 5 bonus issue (312,500), on 13 March 2023: 1,875,000 shares	13/3/2023 @ 0.525	S\$984,375
(v) 1,875,000 shares as at 25 April 2023, the latest practical date before AGM	25/4/2023 @ 0.500 = S\$937,500 <u>Add:</u> (i) Dividend @ S\$0.0075 = S\$14,062.50	S\$951,562