A-SONIC AEROSPACE LIMITED

PART I - INFORMATION REQUIRED FOR QUARTERLY RESULTS ANNOUNCEMENTS

THIRD QUARTER FINANCIAL STATEMENTS

1(a) An income statement and statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT
For the third quarter and nine months period ended 30 September 2014

	Group			Group		
	Third quarter ended			9 months period ended		
	30 Sep 14	30 Sep 13	Change	**30 Sep 14**	30 Sep 13	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Turnover	**65,989**	70,116	(5.9)	**176,717**	210,471	*(16.0)*
Other revenue	**1,336**	436	*206.4*	**3,034**	1,246	*143.5*
Total revenue	**67,325**	70,552	*(4.6)*	**179,751**	211,717	*(15.1)*
Cost and expenses						
Changes in inventories	**222**	(10)	*N/M*	**689**	23	*N/M*
Purchases of goods and consumables used	**(616)**	(2,493)	*(75.3)*	**(2,458)**	(7,207)	*(65.9)*
Freight charges	**(59,182)**	(60,097)	*(1.5)*	**(157,274)**	(183,045)	*(14.1)*
Staff costs	**(4,950)**	(4,970)	*(0.4)*	**(14,712)**	(15,554)	*(5.4)*
Depreciation of property, plant and equipment	**(273)**	(229)	*19.2*	**(794)**	(596)	*33.2*
Finance costs	**(108)**	(52)	*107.7*	**(289)**	(148)	*95.3*
Share of results of associates	**75**	50	*50.0*	**233**	273	*(14.7)*
Share of result of joint venture	**(60)**	95	*(163.2)*	**166**	133	*24.8*
Other operating expenses	**(2,543)**	(2,537)	*0.2*	**(6,267)**	(7,042)	*(11.0)*
Total costs and expenses	**(67,435)**	(70,243)	*(4.0)*	**(180,706)**	(213,163)	*(15.2)*
(Loss)/ profit before tax	**(110)**	309	*(135.6)*	**(955)**	(1,446)	*(34.0)*
Tax expense	**(17)**	(17)	-	**(36)**	(216)	*(83.3)*
Net (loss)/ profit for the period	**(127)**	292	*(143.5)*	**(991)**	(1,662)	*(40.4)*
Discontinued operation						
Profit from discontinued operation, net of tax	**-**	-	-	**-**	2,730	*(100.0)*
(Loss)/ profit for the period	**(127)**	292	*(143.5)*	**(991)**	1,068	*(192.8)*
Profit/(loss) attributable to:						
Equity holders of the Company						
Profit/(loss) from continuing operations, net of tax	**135**	784	*(82.8)*	**4**	(412)	*(101.0)*
Profit from discontinued operation, net of tax	**-**	-	-	**-**	2,725	*(100.0)*
	135	784		**4**	2,313	
Non-controlling interests						
Loss from continuing operations, net of tax	**(262)**	(492)	*(46.7)*	**(995)**	(1,250)	*(20.4)*
Profit from discontinued operation, net of tax	**-**	-	-	**-**	5	*(100.0)*
	(262)	(492)		**(995)**	(1,245)	
Other items :						
Commission income	**-**	-	-	**44**	-	*N/M*
Interest income	**77**	52	*48.1*	**186**	162	*14.8*
Finance lease interest	**301**	319	*(5.6)*	**959**	626	*53.2*
Gain/(loss) on sale of property, plant and equipment	**47**	-	*N/M*	**47**	(30)	*(256.7)*
Restructuring provision written back	**280**	-	*N/M*	**280**	-	*N/M*
Gain on disposal of a subsidiary [(1)]	**-**	-	-	**-**	2,566	*(100.0)*
Foreign exchange (loss)/gain	**(510)**	(376)	*35.6*	**(109)**	(609)	*(82.1)*
Allowance for doubtful trade receivables	**(85)**	(37)	*129.7*	**(133)**	(37)	*N/M*
Allowance for doubtful trade receivables written back	**56**	-	*N/M*	**133**	7	*N/M*
Bad debts written back/(written off)	**5**	(13)	*N/M*	**(4)**	(13)	*(69.2)*
Property, plant and equipment written off	**(31)**	-	*N/M*	**(98)**	(1)	*N/M*
Impairment of goodwill	**-**	-	-	**(61)**	-	*N/M*
Rental expense	**(487)**	(505)	*(3.6)*	**(1,473)**	(1,701)	*(13.4)*
Reversal of Impairment of property, plant and equipment	**-**	-	-	**-**	596	*(100.0)*

Note (1) : *See footnote (A) on page 6*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the third quarter and nine months period ended 30 September 2014

	Group			Group		
	Third quarter ended			9 months period ended		
	30 Sep 14	30 Sep 13	Change	**30 Sep 14**	30 Sep 13	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Net (loss)/profit for the period	**(127)**	292	*(143.5)*	**(991)**	1,068	*(192.8)*
Other comprehensive income						
Currency translation differences arising on consolidation	**181**	(43)	*N/M*	**138**	481	*(71.3)*
Total comprehensive income / (loss) for the period	**54**	249	*(78.3)*	**(853)**	1,549	*(155.1)*
Total comprehensive income / (loss) attributable to:						
Equity holders of the Company	**214**	783	*(72.7)*	**93**	2,787	*(96.7)*
Non-controlling interests	**(160)**	(534)	*(70.0)*	**(946)**	(1,238)	*(23.6)*
	54	249	*(78.3)*	**(853)**	1,549	*(155.1)*

N/M = not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets
At 30 September 2014

	Group		Company	
	30 Sep 2014	31 Dec 2013	**30 Sep 2014**	31 Dec 2013
	US$'000	US$'000	**US$'000**	US$'000
Non-current assets				
Property, plant and equipment	**13,119**	13,176	**-**	-
Investment in subsidiaries	**-**	-	**#**	#
Investment in associates	**470**	754	**-**	-
Investment in joint ventures	**2,745**	2,587	**-**	-
Deferred tax assets	**132**	132	**-**	-
Finance lease receivables	**2,686**	3,699	**-**	-
	19,152	20,348	**-**	-
Current assets				
Inventories	**1,232**	543	**-**	-
Trade and other receivables	**41,536**	43,756	**14**	5
Finance lease receivables	**1,206**	1,114	**-**	-
Due from subsidiaries	**-**	-	**56,628**	59,815
Due from associates	**1,254**	1,167	**-**	-
Due from joint ventures	**2,999**	2,439	**-**	-
Tax recoverable	**57**	88	**-**	-
Cash and cash equivalents	**13,916**	20,718	**6,494**	5,427
	62,200	69,825	**63,136**	65,247
Total assets	**81,352**	90,173	**63,136**	65,247
Non-current liabilities				
Finance lease payables	**139**	-	**-**	-
	139	-	**-**	-
Current liabilities				
Trade and other payables	**32,504**	37,919	**212**	237
Due to subsidiaries	**-**	-	**-**	1,447
Bank term loans	**10,159**	12,407	**1,280**	2,540
Finance lease payables	**35**	-	**-**	-
Provision for restructuring costs	**321**	603	**-**	-
Tax payable	**36**	219	**-**	-
	43,055	51,148	**1,492**	4,224
Total liabilities	**43,194**	51,148	**1,492**	4,224
Net assets	**38,158**	39,025	**61,644**	61,023
Equity				
Share capital	**51,775**	51,775	**51,775**	51,775
Accumulated (losses) / profits	**(3,812)**	(3,863)	**9,869**	9,201
Share option reserve	**-**	47	**-**	47
Foreign currency translation reserve	**(8,061)**	(8,150)	**-**	-
Attributable to:				
Equity attributable to equity holders of the Company, total	**39,902**	39,809	**61,644**	61,023
Non-controlling interests	**(1,744)**	(784)	**-**	-
Total equity	**38,158**	39,025	**61,644**	61,023

#: represents amount less than US$1,000

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

At 30 September 2014		At 31 December 2013	
Secured US$'000	**Unsecured US$'000**	Secured US$'000	Unsecured US$'000
10,194	-	12,407	-

Amount repayable after one year

At 30 September 2014		At 31 December 2013	
Secured US$'000	**Unsecured US$'000**	Secured US$'000	Unsecured US$'000
139	**-**	-	-

Details of any collateral

The Group's borrowings are secured by corporate guarantee given by the Company and a first deed of debentures incorporating a floating charge over the receivables of the logistics business and collateral on the leasehold property of the Group. Included in the Group's borrowings are a revolving term loan secured on the personal properties of a director of a subsidiary, and a secured motor vehicles finance lease.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the third quarter and nine months period ended 30 September 2014

	Group			
	Third quarter ended		9 months period ended	
	30 Sep 2014	30 Sep 2013	**30 Sep 2014**	30 Sep 2013
	US$'000	US$'000	**US$'000**	US$'000
Cash flows from operating activities				
Loss/ (profit) before tax from continuing operations	**(110)**	309	**(955)**	(1,446)
Profit before tax from discontinued operation	**-**	-	**-**	2,754
	(110)	309	**(955)**	1,308
Adjustments for:				
Interest income	**(77)**	(52)	**(186)**	(162)
Bad non-trade receivables written-off	**-**	-	**-**	8
Depreciation of property, plant and equipment	**273**	229	**794**	599
Reversal of impairment of property, plant and equipment	**-**	-	**-**	(596)
Reversal of restructuring provision	**(280)**	-	**(280)**	-
Interest expenses	**108**	52	**289**	148
Interest income from finance lease	**(301)**	(319)	**(959)**	(626)
(Gain)/ loss on disposal of property, plant and equipment	**(47)**	-	**(47)**	30
Property, plant and equipment written off	**31**	-	**98**	1
Gain on disposal of subsidiary	**-**	-	**-**	(2,566)
Impairment loss on goodwill	**-**	-	**61**	-
Share of results of associates	**(75)**	(50)	**(233)**	(279)
Share of results of joint venture	**60**	(95)	**(166)**	(133)
Effect of foreign exchange rate changes	**66**	11	**170**	(24)
Operating cash flows before changes in working capital	**(352)**	85	**(1,414)**	(2,292)
Inventories	**(223)**	10	**(689)**	(23)
Receivables	**(2,289)**	2,776	**1,797**	5,033
Finance lease receivables	**480**	(1,550)	**1,880**	(4,839)
Payables	**704**	860	**(5,711)**	2,381
Cash (used in)/ generated from operations	**(1,680)**	2,181	**(4,137)**	260
Income tax paid	**(4)**	(15)	**(189)**	(337)
Net cash (used in)/generated from operating activities	**(1,684)**	2,166	**(4,326)**	(77)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	**83**	34	**86**	208
Net cash flow from disposal of a subsidiary (A)	**-**	-	**-**	1,074
Proceeds from disposal of interest in subsidiary/subsidiaries without loss of control	**-**	126	**25**	244
Acquisition of subsidiary	**-**	-	**(32)**	-
Restricted cash	**(162)**	-	**(162)**	-
Interest received	**77**	52	**186**	162
Purchase of property, plant and equipment	**(630)**	(766)	**(722)**	(4,260)
Purchase of shares in associated company	**-**	(41)	**-**	(79)
Dividend from associates	**-**	511	**511**	511
Effect of foreign exchange rate changes	**36**	53	**15**	(114)
Net cash (used in)/ from investing activities	**(596)**	(31)	**(93)**	(2,254)
Cash flows from financing activities				
Proceeds from bank term loans	**-**	(17)	**703**	2,714
Repayment of bank term loans	**(1,250)**	16	**(2,923)**	(2,677)
Repayment of finance lease	**(2)**	-	**(2)**	0
Dividend paid by the Company	**-**	(959)	**-**	(959)
Interest paid	**(108)**	(52)	**(289)**	(148)
Effect of foreign exchange rate changes	**(30)**	6	**(29)**	(60)
Net cash used in financing activities	**(1,390)**	(1,006)	**(2,540)**	(1,130)
Net change in cash and cash equivalents	**(3,670)**	1,129	**(6,959)**	(3,461)
Cash and cash equivalents at beginning of period	**17,278**	18,430	**20,718**	22,716
Effect of foreign exchange rate changes	**146**	(19)	**(5)**	285
Cash and cash equivalents at end of period	**13,754**	19,540	**13,754**	19,540
Cash and cash equivalents are represented by (1) :				
Bank and cash balances	**13,786**	14,773	**13,786**	14,773
Less : Bank overdraft	**(32)**	-	**(32)**	-
Fixed deposits	**-**	4,767	**-**	4,767
	13,754	19,540	**13,754**	19,540

Note (1): The cash and cash equivalents excluded restricted cash of US$0.162 million.

CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)
For the third quarter and nine months period ended 30 September 2014

[A] Net cash flow from disposal of a subsidiary

	Group 9 months period ended 30 Sep 2013 **US$'000**
Cash and cash equivalent	(1,603)
Property plant and equipment	(27)
Investment in associated companies	(10)
Trade and other receivables	(5,314)
	(6,954)
Trade and other payables	6,016
Tax payables	35
	6,051
Net asset derecognised	(903)
Less: Non-controlling interest	110
Net asset disposed	(793)
Reclassification of currency translation reserve	571
	(222)
Equity interest disposed off	50%
Net asset disposed	111
Gain on disposal of subsidiaries	2,566
Proceed from disposal	2,677
Less: cash and cash equivalent	1,603
	1,074

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity, or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity
For the third quarter and nine months period ended 30 September 2014

THE GROUP	Share capital US$'000	Accumulated losses US$'000	Share option reserve US$'000	Foreign currency translation reserve US$'000	Equity attributable to equity holders of the Company US$'000	Non - controlling interests US$'000	Total equity US$'000
At 1 January 2014	51,775	(3,863)	47	(8,150)	39,809	(784)	39,025
Loss for the period	-	(267)	-	-	(267)	(486)	(753)
Other comprehensive (loss)/income							
Currency translation difference on consolidation	-	-	-	7	7	(37)	(30)
Total comprehensive (loss)/ income for the period	-	(267)	-	7	(260)	(523)	(783)
Disposal of interests in subsidiary without loss of control	-	-	-	-	-	4	4
At 31 March 2014	51,775	(4,130)	47	(8,143)	39,549	(1,303)	38,246
Profit/(loss) for the period	-	136	-	-	136	(247)	(111)
Other comprehensive income							
Currency translation difference on consolidation	-	-	-	3	3	(16)	(13)
Total comprehensive income/ (loss) for the period	-	136	-	3	139	(263)	(124)
Acquisition of interests in subsidiary	-	-	-	-	-	(43)	(43)
Disposal of interests in subsidiary without loss of control	-	-	-	-	-	25	25
Expiry of employees share options	-	47	(47)	-	-	-	-
At 30 June 2014	51,775	(3,947)	-	(8,140)	39,688	(1,584)	38,104
Profit/(loss) for the period	-	135	-	-	135	(262)	(127)
Other comprehensive income							
Currency translation difference on consolidation	-	-	-	79	79	102	181
Total comprehensive income/ (loss) for the period	-	135	-	79	214	(160)	54
At 30 September 2014	**51,775**	**(3,812)**	**-**	**(8,061)**	**39,902**	**(1,744)**	**38,158**

Consolidated Statement of Changes in Equity (cont'd)
For the third quarter and nine months period ended 30 September 2014

THE GROUP	Share capital US$'000	Accumulated losses US$'000	Share option reserve US$'000	Foreign currency translation reserve US$'000	Equity attributable to equity holders of the Company US$'000	Non - controlling interests US$'000	Total equity US$'000
At 1 January 2013	51,775	(5,682)	47	(9,432)	36,708	1,261	37,969
Profit/(loss) for the period	-	1,680	-	-	1,680	(354)	1,326
Other comprehensive (loss)/income							
Currency translation difference on consolidation	-	-	-	430	430	(4)	426
Total comprehensive income/ (loss) for the period	-	1,680	-	430	2,110	(358)	1,752
Disposal of interests in subsidiaries without loss of control	-	126	-	15	141	(20)	121
Disposal of a subsidiary	-	-	-	-	-	(109)	(109)
Reclassification on disposal of a subsidiary (1)	-	-	-	(571)	(571)	-	(571)
At 31 March 2013	51,775	(3,876)	47	(9,558)	38,388	774	39,162
Loss for the period	-	(151)	-	-	(151)	(399)	(550)
Other comprehensive income							
Currency translation difference on consolidation	-	-	-	45	45	53	98
Total comprehensive (loss)/ income for the period	-	(151)	-	45	(106)	(346)	(452)
At 30 June 2013	51,775	(4,027)	47	(9,513)	38,282	428	38,710
(Loss)/profit for the period		784			784	(492)	292
Other comprehensive loss							
Currency translation difference on consolidation	-	-	-	(1)	(1)	(42)	(43)
Total comprehensive income/ (loss) for the period	-	784	-	(1)	783	(534)	249
Disposal of interests in subsidiaries without change in control	-	126	-	18	144	27	171
Dividend paid by the Company	-	(959)	-	-	(959)	-	(959)
Refund of unclaimed dividend of the Company	-	1	-	-	1		1
At 30 September 2013	51,775	(4,075)	47	(9,496)	38,251	(79)	38,172

Note :

(1) Fifty per cent of US$0.571 million was recorded in "Investment in joint ventures" in the balance sheet whilst the balance was recorded in comprehensive income as part of the "Gain on disposal of a subsidiary".

Statement of Changes in Equity
For the third quarter and nine months period ended 30 September 2014

THE COMPANY

	Share capital US$'000	Accumulated profits US$'000	Share option reserve US$'000	Total equity US$'000
At 1 January 2014	51,775	9,201	47	61,023
Profit and total comprehensive income for the period	-	240	-	240
At 31 March 2014	51,775	9,441	47	61,263
Profit and total comprehensive income for the period	-	245		245
Expiry of employees share options		47	(47)	-
At 30 June 2014	51,775	9,733	-	61,508
Profit and total comprehensive income for the period	-	136	-	136
At 30 September 2014	**51,775**	**9,869**	**-**	**61,644**

THE COMPANY

	Share capital US$'000	Accumulated profits US$'000	Share option reserve US$'000	Total equity US$'000
At 1 January 2013	51,775	9,412	47	61,234
Profit and total comprehensive income for the period	-	139	-	139
At 31 March 2013	51,775	9,551	47	61,373
Profit and total comprehensive income for the period	-	127	-	127
At 30 June 2013	51,775	9,678	47	61,500
Profit and total comprehensive income for the period	-	289	-	289
Dividend paid by the Company		(959)	-	(959)
Refund of unclaimed dividend of the Company		1		1
At 30 September 2013	**51,775**	**9,009**	**47**	**60,831**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There has been no change in the issued and fully paid up ordinary shares of the Company since the end of the previous period reported on.

The employee share options expired on 2 June 2014.The Company has no outstanding employee share options as at 30 September 2014.

Security	Exercise Price	Balance at 30.09.2013	Expired	Balance at 30.09.2014
Employee Share Option				
(a) Incentive Option (1)	S$0.314	64,000	64,000	-
(b) Market Option (2)	S$0.349	61,000	61,000	-
		125,000	125,000	-

Note :
(1) The Incentive Options were issued at a discount of 10% of the market price* prevailing at the date of the grant of the options.
(2) The Market Options were issued at the market price* prevailing at the date of the grant of the options.

Sub-note:
* A price equal to the average of the last dealt price for the share of the Company on the Singapore Exchange Securities Trading Limited over the five (5) consecutive trading days immediately preceding the date of the grant.

1d(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at 30 September 2014 and 31 December 2013 were 715,903,629.

1d(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There was no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2014.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2013.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well the reasons for, and the effect of, the change.

In the current period, the Group and the Company have adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and the Interpretations of FRS that are relevant to its operations and effective for the current period. The adoption of these new/revised FRSs has no material effect on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	Third quarter ended		9 months period ended	
	30 Sep 14	30 Sep 13	**30 Sep 14**	30 Sep 13
Profit/(Loss) after tax attributable from continuing operations attibutable to equity holders of the Company (US$'000)	**135**	784	**4**	(412)
Profit from discontinued operation, net of tax (US$'000)	-	-	**-**	2,725
Profit after tax attibutable to equity holders of the Company (US$'000)	**135**	784	**4**	2,313
Number of ordinary shares in issue for basic earnings per share (in '000)	**715,904**	715,904	**715,904**	715,904
Basic earnings per share from continuing operations (US cents)	**0.02**	0.11	**0.00**	(0.06)
Basic earnings per share from discontinued operations (US cents)	**-**	-	**-**	0.38
Basis earnings per share (US cents)	**0.02**	0.11	**0.00**	0.32

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Sep 2014	31-Dec 2013	**30-Sep 2014**	31-Dec 2013
Net asset value per share based on existing issued share capital at the end of period/year (US cents) (1) (2)	**5.33**	5.45	**8.61**	8.52

Notes:

(1) The above computation of net asset value per share includes non-controlling interests. Excluding non-controlling interests, the net asset value per share for the Group as at 30 September 2014 and 31 December 2013 would have been 5.57 US cents and 5.56 US cents per share respectively.

(2) Computed based on 715,903,629 ordinary shares in issue.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.

FINANCIAL PERFORMANCE

A-Sonic Aerospace Limited and its subsidiaries (the "A-Sonic Group" or the "Group") are engaged in two areas of businesses, aerospace engineering-related business and logistics business. Currently, we operate in 51 cities and 17 countries, spanning across four continents in Asia, Sub-Continent India, Europe and North America. We have a total staff strength of approximately 800 personnel as at 30 September 2014.

Income Statement

Revenue

9M 2014 vs 9M 2013

Our "Total revenue" comprises "Turnover" and "Other revenue". We recorded a "Total revenue" of US$179.751 million for the nine months period ended 30 September 2014 ("9M 2014"), compared to US$211.717 million in the corresponding period in 2013 ("9M 2013"). "Total revenue" declined US$31.966 million due to lower "Turnover" in 9M 2014.

"Turnover" decreased US$33.754 million (16%) to US$176.717 million in 9M 2014 owing to:

(i) US$25.760 million decline in the logistics "Turnover" to US$174.242 million in 9M 2014 compared to US$200.002 million in 9M 2013. "Turnover" was lower because we aimed to improve gross profit margin; and

(ii) US$7.994 million decline in the aerospace engineering-related "Turnover" to US$2.475 million in 9M 2014, compared to US$10.469 million in 9M 2013. "Turnover" was lower in 9M 2014 because there was no new aircraft lease in 9M 2014, whereas in 9M 2013, we commenced the finance lease for two aircraft and two aircraft engines.

"Other revenue" increased US$1.788 million to US$3.034 million in 9M 2014, compared to US$1.246 million in 9M 2013. "Other revenue" was higher due to:

(i) US$0.902 million increase in sundry income in 9M 2014, which includes US$0.370 million for the early termination of aircraft lease, whereas such event did not occur in 9M 2013;

(ii) US$0.413 million write back of allowance for doubtful trade debt and restructuring provision which had been either recovered or overtaken by events;

(iii) US$0.333 million increase in the aircraft finance lease interest income to US$0.959 million in 9M 2014 compared to US$0.626 million in 9M 2013;

(iv) US$0.047 million gain on sale of property, plant and equipment; and

(v) US$0.044 million commission income.

3rd Qtr 2014 vs 3rd Qtr 2013

"Total revenue" decreased US$3.227 million to US$67.325 million in the third quarter period ended 30 September 2014 ("3Q 2014"), compared to US$70.552 million in the corresponding quarter in 2013 ("3Q 2013"). The reduction in "Total revenue was due to the contraction in "Turnover" " in 3Q 2014.

"Turnover" declined US$4.127 million (5.9%) to US$65.989 million in 3Q 2014, compared to US$70.116 million in 3Q 2013, largely due to:

(i) US$3.730 million decrease in the aerospace engineering-related business resulting from the absence of new aircraft finance lease in 3Q 2014; and

(ii) US$0.397 million decrease in logistics "Turnover".

"Other revenue" increased US$0.900 million to US$1.336 million in 3Q 2014, compared to US$0.436 million in 3Q 2013, mainly due to:

(i) US$0.485 million increase in sundry income, including that from a joint venture entity;

(ii) US$0.336 million write back of allowance for doubtful trade debt and restructuring provision, which had been either recovered or overtaken by events; and

(iii) US$0.047 million gain on sales of property, plant and equipment.

3rd Qtr 2014 vs 2nd Qtr 2014

"Total revenue" increased US$5.828 million to US$67.325 million in 3Q 2014, compared to US$61.497million in 2Q 2014 owing to higher "Turnover".

"Turnover" increased US$5.535 million to US$65.989 million in 3Q 2014, compared to US$60.454 million in 2Q 2014, due to higher (US$6.104 million) logistics "Turnover" in 3Q 2014.

Total Costs and Expenses

9M 2014 vs 9M 2013

"Total costs and expenses" decreased US$32.457 million to US$180.706 million in 9M 2014, compared to US$213.163 million in 9M 2013, mainly owing to:

(i) US$25.771 million decline in "Freight charges" to US$157.274 million in 9M 2014, compared to US$183.045 million in 9M 2013, corresponding to lower logistics "Turnover";

(ii) US$5.415 million decline in "Changes in inventories" and "Purchases of goods and consumables" to US$1.769 million in 9M 2014, compared to the aggregate of US$7.184 million in 9M 2013, largely because of the decline in aerospace engineering related "Turnover";

(iii) US$0.842 million decline in "Staff costs" to US$14.712 million in 9M 2014, compared to US$15.554 million in 9M 2013 resulting from cost austerity measure; and

(iv) US$0.775 million decrease in "Other operating expenses" to US$6.267 million in 9M 2014, compared to US$7.042 million in 9M 2013. Lower "Other operating expenses" was largely due to less (US$0.500 million) foreign exchange loss, and reduced rental expenses of US$0.228 million.

3rd Qtr 2014 vs 3rd Qtr 2013

"Total costs and expenses" decreased US$2.808 million to US$67.435 million in 3Q 2014, compared to US$70.243 million in 3Q 2013, mainly due to:

(i) US$2.109 million decline in "Changes in inventories" and "Purchases of goods and consumables used" to US$0.394 million in 3Q 2014; and

(ii) US$0.915 million decrease in "Freight costs" to US$59.182 million in 3Q 2014.

3rd Qtr 2014 vs 2nd Qtr 2014

Total costs and expenses" increased US$5.842 million to US$67.435 million in 3Q 2014, due to:

(i) US$5.405 million increase in "Freight charges" to US$59.182 million in 3Q 2014, in line with the higher logistics "Turnover"; and

(ii) US$0.618 million increase in "Other operating expenses" mainly owing to higher foreign exchange loss of US$ 0.510 million in 3Q 2014. In contrast, we posted foreign exchange gain of US$0.237 million in 2Q 2014.

Gross Profit

9M 2014 vs 9M 2013

Our Group's "Gross Profit" was calculated as "Turnover" less "Changes in inventories", "Purchases of goods and consumables used" and "Freight charges".

"Gross Profit" declined US$2.568 million to US$17.674 million in 9M 2014, compared to US$20.242 million in 9M 2013, attributable to:

(i) US$2.296 million decrease in gross profit generated from the aerospace engineering-related business. The reduction in the gross profit was due to US$7.994 million decline in aerospace engineering-related "Turnover", as elaborated in the second paragraph of the section entitled "Revenue" "9M 2014 vs 9M 2013"; and

(ii) US$0.272 million decrease in gross profit generated from the logistics business to US$17.065 million in 9M 2014, compared to US$17.337 million in 9M 2013. The reduction in the gross profit was due to the US$25.760 million decline in logistics "Turnover".

3rd Qtr 2014 vs 3rd Qtr 2013

"Gross Profit" decreased US$1.103 million to US$6.413 million in 3Q 2014, compared to US$7.516 million in 3Q 2013. In 3Q 2014, "Gross Profit" was lower principally due to the US$1.575 million reduction in the "Gross Profit" generated from the aerospace engineering-related business, as elaborated in sub-paragraph (i) of the preceding paragraph above.

3rd Qtr 2014 vs 2nd Qtr 2014

"Gross Profit" increased US$0.574 million to US$6.413 million in 3Q 2014, compared to US$5.839 million in 2Q 2014. "Gross Profit" generated from the logistics business increased US$0.675 million in 3Q 2014 to US$6.358 million, compared to US$5.683 million in 2Q 2014. This was largely due to the higher in "Turnover" in 3Q 2014.

Net Profit

9M 2014 vs 9M 2013

In 9M 2014, we incurred loss before tax of US$0.955 million. We incurred an even larger loss before tax of US$1.446 million in 9M 2013. We reduced our loss before tax largely due to lower foreign exchange losses of US$0.500 million. In 9M 2014, we incurred foreign exchange loss of US$0.109 million, compared to US$0.609 million in 9M 2013.

Excluding "Non-controlling interests", we recorded "Profit Attributable to Equity Holders of the Company" of US$4,000 in 9M 2014, compared to a loss of US$0.412 million in 9M 2013.

3rd Qtr 2014 vs 3rd Qtr 2013

In 3Q 2014, we incurred loss before tax of U$0.110 million. In contrast, we registered profit before tax of US$0.309 million in 3Q 2013. This was mainly due to the US$0.036 million loss incurred by the aerospace engineering-related business in 3Q 2014, compared to the profit of US$1.362 million registered in 3Q 2013.

Excluding "Non-controlling interests", we recorded "Profit Attributable to Equity Holders of the Company" of US$0.135 million in 3Q 2014, compared to US$0.784 million in 3Q 2013.

3rd Qtr 2014 vs 2nd Qtr 2014

Our "Loss before tax" of US$0.110 million in 3Q 2014 was slightly higher than the "Loss before tax" of US$0.096 million in 2Q 2014. This was largely due to an increase in "Other operating expenses" of US$0.618 million in 3Q 2014. "Other operating expenses" increased due to higher foreign exchange loss of US$0.510 million as elaborated in the section entitled "Total cost and expenses", 3rd Qtr 2013 vs 2nd Qtr 2014.

Excluding "Non-controlling interests", the "Net profit attributable to equity holders of the Company" was US$0.135 million in 3Q 2014, compared to US$0.136 million in 2Q 2014.

Balance Sheet

Non-current assets

Our Group's "Non-current assets" decreased US$1.196 million to US$19.152 million as at 30 September 2014, compared to US$20.348 million as at 31 December 2013 ("FY 2013"), due to:

(i) "Finance lease receivables" decreased US$1.013 million to US$2.686 million as at 30 September 2014, upon receipt of the receivables; and

(ii) "Investment in associates" decreased US$0.284 million to US$0.470 million due to dividend income received from associates.

Current assets

Our Group's "Current assets" decreased US$7.625 million to US$62.200 million as at 30 September 2014 compared to US$69.825 million as at end of FY 2013, due to:

(i) "Trade and other receivables" decreased US$2.220 million to US$41.536 million as at 30 September 2014, compared to US$43.756 million as at end FY 2013; and

(ii) "Cash and cash equivalents" decreased US$6.802 million to US$13.916 million as at 30 September 2014 from US$20.718 million as at end of FY 2013. The reduction was in part due to repayment of "Bank term loans" and reduction in "Trade and other payables".

Current liabilities

Our Group's "Current liabilities" declined US$8.093 million from US$51.148 million at end of FY 2013 to US$43.055 million as at 30 September 2014, mainly due to the following:

(i) "Trade and other payables" decreased US$5.415 million from US$37.919 million to US$32.504 million as at 30 September 2014;

(ii) Net repayment of bank loan of US$2.248 million reduced "Bank term loans" from US$12.407 million as at 31 December 2013 to US$10.159 million as at 30 September 2014; and

(iii) Payment for tax had reduced the "Tax payable" from US$0.219 million at end of FY 2013 to US$0.036 million as at 30 September 2014.

Net asset

Our Group's net assets value (excluding non-controlling interests) as at 30 September 2014, stood at US$39.902 million, compared to US$39.809 million as at the end of FY2013.

Our Group's gearing based on bank borrowings to net asset value (excluding non-controlling interests) was 25.5% as at 30 September 2014, compared to 31.2% as at the end of FY 2013.

Equity

The Group's "Equity Attributable to Equity Holders of the Company" (excluding non-controlling interest) stood at US$39.902 million as at 30 September 2014, an increase of US$0.093 million compared to US$39.809 million as at 31 December 2013. Equity Attributable to Equity Holders of the Company" strengthened slightly mainly due to:

(i) US$0.089 million lower "Foreign currency translation reserve loss" to US$8.061 million as at 30 September 2014 compared to US$ 8.150 million as at FY2013; and

(ii) US$0.051 million lower "Accumulated losses".

Cash Flows

9M 2014 vs 9M 2013

"Operating cash flows before changes in working capital" used in 9M 2014 was US$0.878 million, lower than US$2.292 million used in 9M 2013. The lower "Operating cash flows before changes in working capital" was mainly due to the absence of the gain on disposal of subsidiaries of US$2.566 million in 9M 2014.

"Changes in working capital" in 9M 2014 were recorded as follows : (i) cash used in "Inventories" and "Payables" of US$0.689 million and US$5.711 million respectively; and (ii) cash generated from "Receivables" and "Finance lease receivables" of US$1.796 million and US$1.880 million respectively.

In 9M 2014, "Net cash used in operating activities" was US$4.326 million including the tax paid of US$0.189 million.

"Net cash generated from investing activities" was US$0.069 million, mainly comprised of "Dividend from associates" of US$0.511 million and "Interest received" of US$0.186 million, it was offset by the "Purchase of property, plant and equipment" of US$0.722 million and "Acquisition of subsidiary" of US$0.032 million. On the other hand, "Net cash used in investing activities" in 9M 2013 was mainly the "Purchase of property, plant and equipment" of US$4.260 million, partially offset by the "Net cash flow from disposal of a subsidiary" of US$1.074 million, dividend received from associates of US$0.511 million, proceeds from disposal of property, plant and equipment of US$0.208 million and proceeds from disposal of partial interest in subsidiaries of US$0.244 million.

"Net cash used in financing activities" in 9M 2014 was US$2.540 million, mainly used for "Repayment bank term loans" of US$2.923 million. In 9M 2013, dividend of US$0.959 million and interest of US$0.148 million were paid, resulted in "Net cash used in financing activities" of US$1.130 million.

3rd Qtr 2014 vs 3rd Qtr 2013

"Operating cash flows before changes in working capital generated" in 3Q 2014 was US$0.352 million whereas "Operating cash flows before changes in working capital used" in 3Q 2013 was US$0.085 million.

"Changes in working capital" in 3Q 2014 were recorded as follows : (i) cash used in "Inventories" and "Receivables" of US$0.223 million and US$2.289 million respectively; and (ii) cash generated from "Finance lease receivables" and "Payables" of US$0.480 million and US$0.704 million respectively.

After paying for income tax of US$0.004 million, "Net cash used in operating activities" in 3Q 2014 was US$1.684 million, compared to "Net cash generated from operating activities" of US$2.166 million in 9M 2013.

"Net cash used in investing activities" in 3Q 2014 was US$0.434 million, mainly for the purchase of the property, plant and equipment, whereas "Net cash used in investing activities" in 3Q 2013 was US$0.031 million which US$0.766 was mainly used for the "Purchase of property, plant and equipment" and partially offset from "Dividend from associates" of US$0.511 million.

"Net cash used in financing activities" in 3Q 2014 was US$1.390 million, compared to US$1.006 million used in 3Q 2013.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had previously been disclosed to the shareholders.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may effect the group in the next reporting period and the next 12 months.

We remain vigilant and cautious. Our challenges include: (i) the need for continuance, and new leases, of aircraft and aircraft engines for the aerospace engineering-related business; and (ii) higher global trade volume for the logistics business.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended) in the current financial period reported on:

No dividend has been declared or recommended for the third quarter ended 30 September 2014.

(b) i) Amount per share (in cents)

None.

ii) Previous corresponding period (in cents)

An interim dividend of 0.17 Singapore cents per ordinary share was declared for the first quarter ended 31 March 2013.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the third quarter ended 30 September 2014.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

As at the date of this Announcement, the Group has not obtained a general mandate from shareholders for IPTs.

14. Negative confirmation pursuant to Rule 705(5).

See enclosed on last page.

BY ORDER OF THE BOARD

Quek Ying Chui
Joint Company Secretary

13 Nov 2014

Directors' Negative Assurance on Interim Financial Results under Rule 705(5)

To the best of our knowledge, nothing has come to our attention which may render the unaudited interim financial results of the Group and the Company for the third quarter ended 30 September 2014 and nine months period ended 30 September 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors

Janet Tan
Chief Executive Officer

Jenny Tan
Executive Director