



Regn. No. 198800382N



A-SONIC AEROSPACE LIMITED
Regn. No. 200301838G

ANNOUNCEMENT

Airocean Group Limited ("Airocean Group") and A-Sonic Aerospace Limited ("A-Sonic Aerospace") would like to jointly announce the mutual cessation of the joint venture agreement and the supplemental agreement ("JV Agreement") entered into with Guangdong China Travel Service (Holdings) Ltd and China Xpress Pte Ltd, on 14 September 2004 and 16 September 2004, relating to the establishment of a joint venture company to own and operate an airline in The People's Republic of China ("China"). (Please also see our announcements of 3 September 2005).

The cessation of the JV Agreement was owing to the delay in achieving stipulated key milestones in procuring the Air Operator's Certificate to own and operate an airline in China. In reviewing the circumstances and situation, parties mutually agree that it would be in the best interest for all parties concerned to cease the JV Agreement. No firm decision was made to cease the JV Agreement until the parties jointly executed an agreement on 3 September to cease the arrangement.

Airocean Group and A-Sonic Aerospace will continue to pursue their efforts to own and operate an airline in China, either jointly or separately, depending on the circumstances and opportunities then available. Currently, the parties also have a joint venture express courier business in China, Express Courier (China) Limited, a company incorporated in Hong Kong. The 67%:30% ⁽¹⁾ express courier joint venture in China between Airocean Group and A-Sonic Aerospace, respectively, had been in operations for the last eight (8) months since December 2004, and had since expanded into 13 cities in China. The business volume of express courier has been gradually and steadily improving.

It has been the intention of Airocean Group and A-Sonic Aerospace to work together to further improve their business opportunities in China as both parties have strong foundation and network in China.

Shareholders of each company shall be notified promptly of any other developments, if any, pertaining to the pursuit of owning and operating an airline in China, and shareholders shall be informed in accordance with the requirements of the Listing Manual.

Issued By Order of the Board
For and On Behalf of
AIROCEAN GROUP LIMITED

Ang Lay Hua
Company Secretary

Issued By Order of the Board
For and On Behalf of
A-SONIC AEROSPACE LIMITED

Oh Ah Leng
Company Secretary

Date: 5 September 2005

Note:

(1) *i-Value Private Limited owns the balance 3%.*