Annual Report 2015

Acma Ltd

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CORPORATE INFORMATION

DIRECTORS

Quek Sim Pin
Executive Chairman

Low Seow Chye
Independent Director

Robert Low Mui Kiat
Independent Director

Tan Keng Lin
Independent Director

Victor Levin
Non-Executive Director

NOMINATING COMMITTEE

Low Seow Chye *(Chairman)*
Robert Low Mui Kiat
Tan Keng Lin

REMUNERATION COMMITTEE

Robert Low Mui Kiat *(Chairman)*
Tan Keng Lin
Low Seow Chye

AUDIT COMMITTEE

Low Seow Chye *(Chairman)*
Tan Keng Lin
Robert Low Mui Kiat

SHARE REGISTRAR

Boardroom Corporate &
Advisory Services Pte Ltd

COMPANY SECRETARY

Keloth Raj Kumar

REGISTERED OFFICE

17 Jurong Port Road
Singapore 619092
Telephone No. : 6268 7733
Facsimile No. : 6268 3338
Company Registration No.: 196500233E

INDEPENDENT AUDITORS

Mazars LLP

Public Accountants & Chartered Accountants

Partner in-charge: Lai Keng Wei
(From financial year ended 31 December 2013)

SOLICITORS

Rodyk & Davidson LLP
Colin Ng & Partners LLP

PRINCIPAL BANKERS

United Overseas Bank Limited
Malayan Banking Berhad

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of your directors, I present to you the Annual Report for the financial year ended December 2015.

REVENUE

For FY2015, revenue increased marginally by S$1.9 million (2.7%) from S$69.9 million in FY2014 to S$71.8 million.

This was due mainly to an increase in core trading revenues.

For the full year 2015, other revenue decreased by S$117,000 (11.9%) from S$1.0 million in FY2014 to S$0.9 million in FY2015.

COSTS AND EXPENSES

(a) Raw Materials and Consumables Used

Raw materials and consumables used increased by S$2.9 million (7.6%) from S$38.2 million in FY2014 to S$41.1 million in FY2015. This was also approximately in line with the 2.7% increase in revenue for FY2015, with the variation due mainly to sales mix.

(b) Labour Costs

Labour costs were 0.7% lower than FY2014 despite a marginal 2.7% increase in revenue for FY2015.

(c) Finance Costs

Finance costs recorded a marginal increase for the full year 2015, of S$29,000 to S$358,000. The variances in finance costs are broadly in line with the variations in bank borrowings.

(d) Other Operating Expense

Operating expenses of S$52.1 million was higher by S$4.0 million (8.3%) as compared to S$48.1 million in FY2014. The increase was attributed mainly to impairment provisions of total S$37.3 million provided in FY2015.

These impairment provisions comprised S$35.5 million in respect of the carrying value of investment in associated company, Neftech Pte Ltd, S$1.0 million in respect of associated company, Femto Pte Ltd, and a S$0.8 million provision in respect of two long-term operating leases.

Both Neftech and Femto's principal activities are in relation to the development and marketing of proprietary fuel saving technology solutions. They had business models which were attractive when oil prices were significantly higher. Since September 2015, the price of oil has fallen by almost 40% and this has resulted in a material adverse impact on their commercial prospects. In light of the above, management has recommended and the Board has accepted that given the possibility that the price of oil will remain at these lower levels for an extended period, it will be prudent for the impairment provisions to be made.

The impairment provisions are non-cash items and have no impact on the Group's cash position or cash flows.

LOSS FROM OPERATIONS

For FY2015, the Group's operating performance was poorer despite the marginal increase in revenue due mainly to the increased impairment provisions and a reduction in operating margins (as a result of pricing and cost pressures as well as a change in the sales mix of the Group).

LOSS BEFORE INCOME TAX

For the year 2015, the Group achieved a loss before tax of S$38.0 million (FY2014: S$31.9 million) mainly due to the impairment provisions mentioned above.

INCOME TAX EXPENSE

The Group's tax expense for FY2015 increased to S$567,000 income tax compared to S$240,000 in FY2014.

STATEMENT OF FINANCIAL POSITION

(a) Property, plant and equipment decreased by S$1.1 million from S$7.3 million at 31 December 2014 to S$6.2 million at 31 December 2015. This was due mainly to depreciation of S$2.4 million for the year, set-off in part by S$0.9 million additions during the period.

(b) Investments in associates reduced by S$36.7 million from S$36.8 million at 31 December 2014 to S$0.1 million at 31 December 2015. This was due mainly to the impairment provisions of S$36.5 million made during the year in respect of Neftech and Femto as well as the Group's equity share of losses.

(c) Other investments reduced by S$0.9 million from S$2.8 million at 31 December 2014 to S$1.9 million at 31 December 2015. The reduction is due mainly to an impairment provision of S$0.5 million in relation to the Group's investment in a long-term operating lease.

(d) Trade and other receivables reduced by S$9.0 million from S$41.5 million at 31 December 2014 to S$32.5 million at 31 December 2015. This is due mainly to the reduction in tooling projects completed but not delivered at 31 December 2015.

CHAIRMAN'S STATEMENT

(e) Cash and bank balances improved by S$2.5 million from S$7.2 million as at 31 December 2014 to S$9.7 million as at 31 December 2015. Bank borrowings required for trade financing increased by S$3.7 million to S$7.9 million (inclusive of S$0.4 million bank overdraft balance) as at 31 December 2015.

(f) Trade and other payables reduced by S$10.9 million from S$32.2 million at 31 December 2014 to S$21.3 million at 31 December 2015. This is due mainly to the reduction in tooling projects completed but not delivered at 31 December 2015 and increased settlement of trade payables.

CASHFLOW AND WORKING CAPITAL

(a) The Group's net working capital as at 31 December 2015 improved by S$0.3 million to S$22.2 million as compared to S$21.9 million as at 31 December 2014.

PROSPECTS FOR 2016

In view of the prevailing weakness in global economic markets, the outlook for the near term is likely to remain challenging. However, despite the aforesaid, we expect the Group's automotive tooling business to remain stable in FY2016. We anticipate continuing price pressures from customers as well as having to deal with the problem of rising costs in China where our manufacturing operations are based. We will continue to look to rationalize our manufacturing operations to maintain our competitiveness whilst at the same time, exploring opportunities to strengthen the Group's earnings base.

ACKNOWLEDGEMENT

I would like to express my sincere thanks to our hardworking staff, our bankers, our customers and our shareholders for their continuing support.

QUEK SIM PIN
Executive Chairman
Date: 30 March 2016

BOARD OF DIRECTORS

QUEK SIM PIN
Executive Chairman

Mr. Quek graduated with a Bachelor of Business Administration (Honours) Degree from the University of Singapore in 1971 and qualified as an Associate of the Chartered Institute of Insurers (London) in 1975. He founded the Lityan group in 1983 and has been the Executive Chairman of the Company since 1989 after the acquisition of the Lityan group by the Company. He is also on the board of directors of various companies in the Group.

LOW SEOW CHYE
Independent Director

Mr. Low was appointed as independent, non-executive director on 12 July 1990. He was also appointed as Chairman of the Audit and Nominating Committee. He retired as a practicing accountant recently. Mr. Low is a member of the CPA Australia and a Chartered Accountant of Singapore. He is also an ordinary member of the Singapore Institute of Directors.

VICTOR LEVIN
Non-Executive Director

Mr. Victor Levin was appointed as non-independent, non-executive director on 29 October 2010. He is the Chairman and General Manager of OOO “Melina” Moscow and holds directorship in several companies. He is Executive Chairman of Neftech Pte Ltd, an associated company of Acma Ltd. He is a graduate of the Moscow Petroleum & Gas Industry Institute.

ROBERT LOW MUI KIAT
Independent Director

Mr. Robert Low was appointed as independent, non-executive director on 11 December 2009. He was also appointed as Chairman of Remuneration Committee. Mr. Robert Low graduated from Curtin University, Perth, Western Australia in accounting and is a Chartered Accountant of the Malaysian Institute of Accountants (MIA). He has more than 30 years of experience working in the Oil & Gas industry, having worked mainly with Exxon Mobil where his last position in 2005 was as Asia Pacific Facilities Manager. Since then, he has been working as a consultant in the Oil & Gas industry.

TAN KENG LIN
Independent Director

Mr. Tan was appointed as independent, non-executive director on 23 August 2012. Mr. Tan graduated with a Bachelor of Science degree from the University of Singapore. He has been a non-executive Director of Acma Ltd from 1995 to 2006. Over the last 30 years, he has been managing his family’s shipping and trading businesses.

KEY MANAGEMENT

RAI RAJEN
Chief Operating Officer

Mr. Rai is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a Certified Public Accountant of Singapore. He has been with the Lityan group since 1984 and was the Finance Director of Acma Ltd from 1989 to 1995. He is also on the board of directors of various companies in the Group.

CHOU KONG SENG
Chief Financial Officer

Mr. Chou qualified as a Chartered Accountant in the United Kingdom and was a Certified Public Accountant of Singapore. He has been with the Group since 1994. He is on the board of directors of various companies in the Group. Prior to joining the Group, he was a senior manager with an international public accounting firm in Singapore.

DEREK THU BOON LEONG
Managing Director, Injection Moulding Operations

Mr. Derek Thu is the Managing Director of our injection moulding operations which has plants in Xiamen and Shanghai. He is also responsible for the tool-making plant at Xiamen. He holds a Diploma in Electronics and Electrical Engineering. He worked for a Japanese multinational company before joining the Group in 1994 as a Quality Manager. He was subsequently promoted to run our plant in Xiamen as the General Manager. Having done well there, he was promoted in 2002 to run all our moulding operations.

GRAHAM WRIGHT
Managing Director, International Sales Tool-making Operations

Mr. Wright is in charge of our Marketing Offices in Germany, Spain and Latvia which brings in the orders for plastic injection moulds for the automotive market in Europe. Mr. Wright holds a degree in Management (BSc Hons) Manchester University and he has been working in this field for many years with international companies. He joined us in 2000.

The Board of Directors (the **"Board")** ofAcma Ltd. **("Acma"** or the "Company") is committed to maintaining a high standard of corporate governance to ensure greater transparency and to protect the interests of the Company's shareholders (the **'Shareholders").**

The Company has put in place various policies and practices that will safeguard the interests of Shareholders and enhance Shareholders' value as part of its effort to maintain high standards of corporate governance. This report describes the corporate governance practices and procedures adopted by the Company with specific reference to the revised Code of Corporate Governance 2012 (the **"Code")** prescribed by the Singapore Exchange Securities Trading Limited (the **"SGX-ST").** References to the principles of the Code are listed below. The Company has complied with the principles of the Code where appropriate.

(I) BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

As at the date of this report, the Board comprises the following members:

Quek Sim Pin	(Executive Chairman)
Victor Levin	(Non-Executive Director)
Low Seow Chye	(Independent Director)
Robert Low Mui Kiat	(Independent Director)
Tan Keng Lin	(Independent Director)

The Board supervises the management of the business and affairs of the Company and the Group. It has established self-regulatory and monitoring mechanisms to ensure that effective corporate governance is practiced. The Board oversees the Group's overall strategic plans, approves major funding proposals, investments and divestment proposals and reviews the financial performance of the Company and the Group.

The Board meets regularly and additional meetings are convened when deemed necessary by the Board. Board members are provided with complete, adequate and timely information to allow directors to fulfill their duties properly.

Newly appointed directors are given an orientation on the Group's business strategies and operations and are also provided with information on their duties as a director under Singapore law. They may attend any training course in connection with their duties as Directors, if such participation or attendance is required.

The Company has adopted internal guidelines setting forth matters that require Board approval. The types of material transactions that require Board approval under such guidelines are listed below:

a) corporate strategy and business plans;
b) announcement of quarterly, half year and full year results and annual report;
c) declaration of interim dividends and proposal of final dividends;
d) convening of shareholders' meeting;
e) authorisation of major acquisition and disposal of companies and investments; and
f) authorisation of major transactions.

The Board has delegated certain specific responsibilities to three Committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"). More information on them is set out below. The Board accepts that while these Committees have the authority to examine particular issues and will report back to the Board with their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently has five (5) members, comprising one (1) Executive Director and four (4) Non-Executive Directors and three of whom are independent. Information in respect of the directors is set out in the "Board of Directors" section of this Annual Report.

To facilitate effective management, certain functions have been delegated to various Board committees, namely the AC, NC and RC. The Board members and Board Committee members are set out as below:

Table 1:

Name of Director	Status	Board	Audit Committee	Nominating Committee	Remuneration Committee
Executive					
Quek Sim Pin	Non-independent	Chairman			
Non-Executive					
Low Seow Chye	Independent	Member	Chairman	Chairman	Member
Robert Low Mui Kiat	Independent	Member	Member	Member	Chairman
Tan Keng Lin	Independent	Member	Member	Member	Member
Victor Levin	Non-independent	Member			

With the exception of Mr. Victor Levin's relationship with Neftech Pte Ltd and Femto Pte Ltd, both of which are associated companies of the Group, the non-executive directors have no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. Mr. Victor Levin is the executive chairman and holds a substantial shareholding interest in Neftech Pte Ltd and Femto Pte Ltd. Mr. Victor Levin is also a substantial shareholder of the Company.

The NC is of the view that Mr. Low Seow Chye, Mr. Robert Low Mui Kiat and Mr. Tan Keng Lin are independent. As more than one third of the Board is independent, the requirement of the Code that at least one third of the Board comprises Independent Directors is satisfied. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgement is exercised on corporate affairs.

The independence of each director is reviewed annually by the NC, which confirms that the independent directors made up at least half of the Board. The NC is also of the view that the current board size is appropriate, taking into account the nature and scope of the Company's operations. No individual or small group of individuals dominates the Board's decision making.

The NC is satisfied that the Board has the appropriate mix of expertise and experience that as a group provide an appropriate balance and diversity of skills, experience and knowledge of the Company. Each director has been appointed on the strength of his caliber, experience and expertise to contribute to the development of the Company.

The Board conducts scheduled meetings on a regular basis and on the day of the Annual General Meeting. Adhoc meetings are convened which circumstances require.

Director's Attendance at Board & Committee Meetings

The details of the number of board meetings held in the year as well as the attendance of each board member at those meetings and meetings of various board committees are disclosed below:

Name of Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	4	4	1	1
Executive Director				
Quek Sim Pin	4	-	-	-
Non-Independent Director				
Victor Levin	2	-	-	-
Non-Executive Directors				
Low Seow Chye	4	4	1	1
Robert Low Mui Kiat	4	4	1	1
Tan Keng Lin	4	4	1	1

Role of Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the company - the working of the Board and the executive responsibility of the company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Mr. Quek Sim Pin ("Mr. Quek"), the Executive Chairman, currently assumes the roles of both Chairman and Chief Executive Officer ("CEO") of the Company. As such, Mr. Quek bears executive responsibility for the Company's business as well as responsibility for the workings of the Board and ensuring that procedures are introduced to comply with the Code.

Taking into account the current corporate structure and the scope of the Company's operations, the roles of the Chairman and CEO are not separated. All major proposals and transactions are made in consultation with the Board which comprises independent and non-executive directors. The Board is of the view that there are sufficient safeguards and checks in place to ensure that the process of decision making by the Board is independent and based on collective decisions, without any individual or group of individuals exercising any considerable power and influence.

Board Membership and Nominating Committee

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The Nominating Committee's terms of reference include making recommendations to the Board on all Board appointments. It comprises three non-executive directors, all of whom are independent directors.

The principal functions of the NC are as follows:

- review and recommend the nomination or re-nomination of the Directors having regard to the Director's contribution and performance;
- to set criteria for identifying candidates and reviewing nominations for the appointments referred to above;
- to determine on an annual basis whether or not a Director is independent; and
- to assess the overall performance of the Board and contribution of each Director to the effectiveness of the Board.

The NC has established a formal and transparent process for the Company on the appointment of new directors and re-nominations and re-elections of directors at regular intervals. It is also responsible for determining the independence each director and conducting formal assessment of the effectiveness of the Board as a whole and the contribution of each director to the effectiveness of the Board. In evaluating the Board's performance, the NC considers a number of factors including those set out in the Code.

Pursuant to Article 93 of the Company's Articles of Association, one third of the Board are to retire from office by rotation and be subject to re-election at the Company's Annual General Meeting. New directors are appointed by way of a Board resolution, after the NC approves their appointments and pursuant to Article 99 of the Company's Articles of Association, the newly appointed director must submit himself or herself for re-election at the next Company's Annual General Meeting following his or her appointment.

All directors are required to declare their board representations. The NC has reviewed and is satisfied that the directors of the Company have been adequately carried out his duties as a director of the Company.

The dates of initial appointment and last re-election of the Directors as well as their directorships in other listed companies are set out below:

Name of Director	Date of Initial Appointment as Director in Acma Ltd	Date of Re-election as Director in Acma Ltd	Directorships in Other Listed Companies	
			Present	Last Three Years
Quek Sim Pin	06 December 1989	29 April 2014	–	–
Victor Levin	20 October 2010	30 April 2013	–	–
Low Seow Chye	12 July 1990	29 April 2015	–	–
Robert Low Mui Kiat	11 December 2009	29 April 2015	–	–
Tan Keng Lin	23 August 2012	30 April 2013	–	–

Access to Information

Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

Directors are furnished regularly with information from Management about the Group as well as the relevant information relating to the business to be discussed at Board meetings. All directors have separate and independent access to senior management and Company Secretary.

Directors are also welcomed to request further explanations, briefings or informal discussions on any aspect of the Company's operations or business issues from management. The CEO will make the necessary arrangements for the briefings, informal discussions or explanations required.

The Company Secretary attends Board meetings and is responsible for ensuring that proper procedures at such meetings are followed. In the absence of the Company Secretary, a representative from the Key Management will be appointed. Together with the Company's management, they are responsible to ensure that the Company complies with the requirements of the Companies Act, SGX-ST Listing Manual and other rules and regulations that are applicable to the Company. The appointment and removal of the Company Secretary would be a matter for the Board as a whole.

Each member of the Board, in the furtherance of their duties, has access to take independent profession if necessary, at the Company's expense.

(II) REMUNERATION MATTERS

Remuneration Committee

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

Principle 9, paragraph 9.2: Each company should fully disclose the remuneration of each individual director and the chief executive officer ("CEO") on a named basis and the company may round off the disclosed figures to the nearest thousand dollars.

The RC comprises three non-executive directors, all of whom are independent directors.

Its role is to review and advise the Board an appropriate and competitive framework of remuneration for the Board, key executives and the Group. In developing remuneration policies, RC takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual directors and key management staff.

The RC has access to appropriate expert advice in the field of executive compensation outside the Company where required.

The RC's recommendations are submitted to the Board for endorsement. No director is involved in deciding his own remuneration.

In setting remuneration packages, the RC ensures that the directors are adequately but not excessively remunerated as compared to the industry and in comparable companies.

Non-executive directors receive directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent, as well as the responsibilities and obligations of the directors. Directors' fees are recommended by the Board to shareholders for approval at the Company's Annual General Meeting.

The level and mixed of the Directors' remuneration for the financial year ended 31 December 2015 **("FY2015")** are set out below:

Directors' Remunerations	Fees & Salary %	Bonus %	Other benefits %	Number of share options granted
Remuneration Band: S$250,000 to S$499,999				
Quek Sim Pin	89	8	3	100,000
Remuneration Band: Below S$250,000				
Low Seow Chye	88	-	12	72,000
Robert Low Mui Kiat	84	-	16	50,000
Victor Levin	95	-	5	20,000
Tan Keng Lin	84	-	16	30,000

The number of share options granted includes both share options granted in 2011 and 2013 that were granted to the directors and employees of the Company. Further details of these can be found in the Report of the Directors and Notes to the Financial Statements of the Annual Report.

Key Management Staff

Annual remuneration of top 5 key executives who are not Directors in the above-mentioned remuneration bands are set out below for FY2015.

	Number of employees
S$250,000 to S$499,999	3
Below S$250,000	2

Pursuant to paragraph 9.2 of the Code, the Company has disclosed the remuneration of the Directors individually by names and within their respective remuneration bands. The remunerations of the top 5 key executives who are not Directors are also disclosed within the two bands of below S$ 250,000 and S$250,000 to S$499,999. However, the Board is of the opinion that the remuneration details of key management staff and the aggregate remuneration paid to the top 5 key executives (who are not Directors) are confidential and full disclosure of such information would not be in the interest of the Company.

No employee of the Company and its subsidiaries was an immediate family member of a Director and whose remuneration exceeded S$50,000 in FY2015.

Employee Share Option Scheme

Details on the Employee Share Option Scheme are set out in the Report of the Directors in this Annual Report.

(III) ACCOUNTABILITY AND AUDIT

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of the Company's performance and position, when providing interim and other price sensitive public reports on a quarterly basis, and reports to regulators (if required).

In line with the SGX Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year under review, the Chief Executive Officer (Executive Chairman) and Chief Financial Officer have provided assurance to the Board on the integrity of the Group's financial statements.

The management currently provides to the Board for endorsement, annual budgets, business plans and quarterly management accounts of the Group.

Audit Committee

Principle 11: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties. The issuer should engage a suitable auditing firm for its significant subsidiaries and associated companies.

Listing Manual Rule 712, 715(2), 716 & 1207(6)

The AC comprises three non-executive directors, all of whom are independent directors.

The Board is of the view that the AC has the requisite financial management expertise and experience to discharge its responsibility properly, with the members bringing with them extensive managerial and financial expertise in their own professional capacities. At least two members, including the AC Chairman, have relevant accounting or related financial management expertise or experience to discharge the AC's responsibilities.

The AC assists the Board to maintain a high standard of corporate governance, particularly in the areas of effective financial reporting and the adequacy of internal control systems of the Group.

The responsibilities of AC include:

- review and approve the audit plans, audit report and audit findings submitted by external auditors;
- review the annual financial statements before submission to the Board for approval;
- review and discuss with external auditors any suspected fraud, irregularities, suspected infringement of any relevant laws, rules and regulations, which has or likely to have a material impact on the Group's operating results or financial position, and management's response;
- evaluate the assistance given by management to the external auditors and discuss issues of concern, if any, arising from interim and final audits or any matters the auditors wish to discuss;
- reviews any interested person transactions in respective of Interested Person Transactions and Listing Manual of the SGX-ST;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and which warrant for AC's attention; and
- generally undertake such other functions and duties as may be required under the AC Charter, by statute or the Listing Manual of SGX-ST, and by such amendments made thereto from time to time.

The AC is authorised to investigate any matters within its terms of reference and to have full access to the co-operation of the management and external auditors, Mazars LLP, for it to discharge its duties. It has the full authority and discretion to invite any director or executive officer to attend its meetings.

The AC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors.

Certain subsidiaries of the Company were audited by different auditors as disclosed in Note 11 to the Financial Statements in this Annual Report. The Board and AC have considered these and are satisfied that the appointments would not compromise the standard and effectiveness of the audit of the Group.

The aggregate amounts of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services during FY2015 are as follows:

Audit fees	S$230,000
Non-audit fees	S$ 11,308
Total	S$241,308

The AC has considered the volume of the non-audit services provided by external auditors, Mazars LLP, to the Group during the financial year, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, and that Rule 712 and 716 of the SGX-ST Listing Manual have been complied with, recommends to the Board their re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

The external auditors present to the AC the audit plan and updates relating to any changes of accounting standards which have a direct impact on financial statements before an audit commences.

Certain subsidiaries and associated companies were audited by different auditors as disclosed in the Notes to the Financial Statements in the Annual Report. However, the Management has made arrangements for the Company's Group auditors to review the audit files of all significant subsidiaries and associated companies, where applicable, and raise any issues of concern and report to the Board and the Audit Committee. The Board and Audit Committee have considered these arrangements and are satisfied that the appointments would not compromise the standard and effectiveness of the audit of the Group.

Principle 11, paragraph 11.3: The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems.

The Board is of the opinion that there is adequate risk management systems and information technology controls. All accounting information and financial data are controlled, checked, reviewed and analysed regularly. Material findings and recommendations are reported to the Board.

Internal Controls

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.
Listing Manual 1207(10)

The Board, with the concurrence of the Audit Committee, after carrying out a review of potential risks and the control measures employed to manage these risks, is of the opinion that the system of internal controls of the Group to address the financial, operational and compliance risks in its current business environment is adequate.

The system provides reasonable, but not absolute, assurance against material financial misstatements or loss, the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislations, regulations and the identification and containment of business risks.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Internal Audit

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

The size of the operations of the Group does not warrant the Group having an in-house internal audit function. Currently, the accounting team from the corporate office conduct internal audit on significant companies and report directly to its audit committee if required.

The Group is looking into outsourcing its internal audit function to a firm of certified public accountants at an appropriate time. The internal auditors will report directly to the Chairman of the AC.

(IV) COMMUNICATION WITH SHAREHOLDERS

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Communication with shareholders forms part of the Group's corporate governance and commitment to transparent, comprehensive and prompt disclosure. The Company uses a number of communication channels to account to shareholders for the performance of the Group and to provide updates on pertinent developments. These include the annual report, quarterly results and other announcements made through the SGXNET, press releases, as well as the Annual General Meeting. The Company strives for timeliness and transparency in its disclosures to the shareholders and the public. All shareholders would be equally informed of all major developments impacting the Group on regular and timely basis.

Shareholders are given the opportunity to participate and vote in shareholders' meetings.

All shareholders of the Company receive the Annual Report (online access at the Company's website, requested for printed copies or CD-ROM), circulars and notices of the shareholders' meetings. The notices are also advertised in newspapers and via announcement on SGXNET. Shareholder of the Company is allowed to appoint proxies to attend and vote on his behalf. At shareholders' meetings, shareholders are given the opportunity to air their views and ask directors or management questions regarding the Company.

The Board and management are present at Annual General Meetings to address questions by shareholders. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Board has not recommended any dividend for FY2015 as the Company has accumulated losses and recorded a net loss for the current financial year.

DEALING IN SECURITIES
Listing Manual Rule 1207(19)

The Group has in place an internal code of conduct on dealings in securities based on SGX-ST Listing Manual Rule 1207(19), which prohibits the directors, key executives of the Group and their connected persons from dealing in the Company's shares during the "black-out" periods commencing two weeks before the announcement of the Group's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Group's full year financial statements and ending on the date of the announcement of such results; and when they are in possession of price-sensitive and confidential information, in accordance to the laws of insider trading. They are also discouraged from dealing in the Company's securities on short-term considerations.

In addition, directors, key executives and their connected persons are required to observe the insider trading under the Securities and Futures Act at all times even when engaging in dealings in securities within the permitted periods. To enable the Company to monitor such transactions, directors of the Company are required to report to the Company Secretary whenever they deal in the Company's securities.

Risk Management Policies and Processes

(a) Risk of changes in political, economic, legal and regulatory conditions in countries where the Group operates.

The Group has substantial operations in China (including Hong Kong), Europe, South Asia and Singapore. Any significant downturn in the economy and/or political instability and changes in legal and regulatory conditions in the countries in which the Group operates could adversely impact the Group's operations. However, the geographical spread of the Group's operations would serve to cushion the impact of such risk.

(b) Foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Group faces exposure to market risks, in particular, changes in currency exchange rates and interest rates of financial instruments, and credit risk arising in the normal course of the Group's business.

The Group's policies and procedures to identify, monitor and control these risks are set out in Notes to the Financial Statements "Financial instruments and financial risks" in this Annual Report.

INTERESTED PERSON TRANSACTIONS
Listing Manual Rule 907

Disclosure of interested person transactions is set out below. When a potential conflict of interest arises, the director concerned does not participate in discussions, make decision and refrain from exercising any influence over the other members of the Board.

To ensure compliance with SGX-ST Listing Manual Rule on interested person transactions, the Board meets quarterly to review if the Company will be entering into any interested person transaction. If the Company is intending to enter into an interested person transaction, the Board will ensure that the Company complies with the rules under Chapter 9 of the SGX-ST Listing Manual.

The Audit Committee will also meets quarterly to review whether the Company will be entering into any interested person transactions, and if so, the Audit Committee ensures that the Company complies with the rules under Chapter 9 of the SGX-ST Listing Manual.

Interested Person Transaction

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the **SGX-ST.**

The aggregate value of all Interested Person Transactions entered into for the financial year ended 31 December 2015 pursuant to Rule 920 of the Listing Manual of the SGX-ST are as tabulated hereunder:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Neftech Pte Ltd Femto Pte Ltd	NIL NIL	NIL NIL

MATERIAL CONTRACTS AND LOANS
Listing Manual Rule 1207(8)

Pursuant to Listing Manual Rule 1207(8), the Company confirmed that except as disclosed in the Report of Directors and Financial Statements of this Annual Report, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of any Director or controlling shareholder of the Company, either still subsisting at the end of FY2015 or if not then subsisting, which were entered into since the end of the previous financial year.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2015.

1. Opinion of directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group and the changes in the equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Quek Sim Pin	Executive Chairman
Low Seow Chye	Independent Director
Robert Low Mui Kiat	Independent Director
Tan Keng Lin	Independent Director
Victor Levin	Non-Executive Director

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraph 4 and 6 below.

4. Share consolidation

During the year 2015, the Company proposed a share consolidation of every hundred (100) existing issued ordinary shares in the capital of the Company into one (1) Consolidated Share, fractional entitlements to be disregarded save for the event that, upon the completion of the share consolidation, any shareholder who is entitled to less than one (1) Consolidated Share shall be deemed to be entitled to one (1) Consolidated Share. The share consolidation was approved by shareholders at the Extraordinary Meeting held on 29 April 2015 and became effective on 4 June 2015.

As a result of the share consolidation, the number of ordinary shares, share options and warrants and their exercise prices were adjusted accordingly.

After the completion of share consolidation on 4 June 2015, the ordinary shares, share options and warrants have been restated on the basis of the Company's share consolidation.

5. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations (other than wholly-owned subsidiaries), as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as disclosed below:

Name of directors and respective company in which interest are held	Direct interests		Deemed interests	
Acma Ltd.	**At 1.1.2015**	**At 31.12.2015**	**At 1.1.2015**	**At 31.12.2015**
No. of ordinary shares				
Quek Sim Pin	2,812,500	28,129	721,310,973	7,213,104
Victor Levin	268,267,372	2,682,673	455,445,547	4,554,455
Low Seow Chye	1,000,000	10,000	–	–
Robert Low Mui Kiat	–	–	145,000	1,450
Number of warrants – W160707				
Quek Sim Pin	937,500	9,375	–	–
Victor Levin	89,422,457	894,224	184,281,849	1,842,818
Low Seow Chye	333,333	3,333	–	–

	Options to subscribe for ordinary shares		
	At 1.1.2015	**At 31.12.2015**	**Exercise price**
Acma Ltd.			**S$**
Quek Sim Pin	10,000,000	100,000	3.50 (2014: 0.035)
Victor Levin	2,000,000	20,000	3.50 (2014: 0.035)
Low Seow Chye	3,000,000	30,000	3.50 (2014: 0.035)
Low Seow Chye	4,200,000	42,000	3.40 (2014: 0.034)
Robert Low Mui Kiat	2,000,000	20,000	3.50 (2014: 0.035)
Robert Low Mui Kiat	3,000,000	30,000	3.40 (2014: 0.034)
Tan Keng Lin	3,000,000	30,000	3.40 (2014: 0.034)

There was no change in any of the above mentioned interests between the end of the financial year and 21 January 2016.

6. Directors' contractual benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporation in their capacity as directors and/or executives of those related corporation.

7. Share options

On 9 June 2011 (the "Date of Grant"), share options were granted to management and confirmed employees under the Acma Employee Share Option Scheme 2004 (the "Scheme"). Options were granted at the exercise price of S$0.035 per share.

On 16 August 2013 (the "Date of Grant"), another batch of share options were granted to management and confirmed employees under the Acma Employee Share Option Scheme 2004 (the "Scheme"). Options were granted at the exercise price of S$0.034 per share.

The Scheme is administered by the Remuneration Committee which comprises three Independent Directors.

The participants are entitled to exercise the options at any time after the first anniversary of the Date of Grant up to the fifth anniversary of the Date of Grant.

In all other cases, an option will be forfeited in the event of whichever is earlier:

(i) The option is not exercised within 5 years from the Date of Grant; or

(ii) The Participant ceased to be an employee of the Company. However, the Scheme allows a participant to exercise an option (at the absolute discretion of the Remuneration Committee) where he or she has ceased employment as a result of retirement, ill health, accident or death.

Details of the options to subscribe for ordinary shares of the Company pursuant to the Scheme are as follows:

Date of grant	Expiry date	Exercise price (S$)	At 1.1.2015	Forfeited	Share consolidation adjustments	At 31.12.2015
9.6.2011	8.6.2016	3.50 (2014: 0.035)	50,750,000	3,100,000	47,173,500	476,500
16.8.2013	15.8.2018	3.40 (2014: 0.034)	101,475,000	6,925,000	93,604,500	945,500
			152,225,000	10,025,000	140,778,000	1,422,000

Since the commencement of the Scheme till the end of the financial year:

- Save as disclosed above on options granted to Mr. Quek Sim Pin who is the Executive Chairman and substantial shareholder of the Company, no options have been granted to the other controlling shareholders of the Company and their subsidiaries and associates, and no other participant has received 5% or more of the total options available under the Scheme;
- The options granted by the Company do not entitle the option holders, by virtue of such holding, to any rights to participate in any share issue of any other company in the Group; and
- No options have been granted at a discount.

There were no unissued shares of the Company or any company in the Group other than those referred to above.

8. Warrants

At the end of the financial year, details of the unissued ordinary shares of the Company under warrants are as follows:

Date of issue	At 1.1.2015	Warrants issued	Warrants exercised	Warrants expired	Shares consolidation adjustments	At 31.12.2015	Date of expiry
Warrants W160707							
08.07.2013	1,395,526,880	–	–	–	(1,381,574,610)	13,952,270	07.07.2016

Warrants W160707

Each warrant entitles the warrant holder to subscribe for one new ordinary share in the Company at the exercise price of S$3.50 (2014: S$0.035) per share. The warrants do not entitle the holders of the warrants, by virtue of such holdings, to any rights to participate in any share issue of any other company in the Group. There were no new ordinary shares issued during the year pursuant to the exercise of warrants as disclosed above.

As at the end of the financial year, except as reported above, no other warrants to take up unissued shares of the Company or its subsidiaries were granted and no shares were issued by virtue of the exercise of warrants to take up unissued shares of the Company or its subsidiaries.

Except for the abovementioned outstanding warrants, no other warrants to take up unissued shares of the Company or its subsidiaries were outstanding as at the end of the financial year.

9. Audit committee

The audit committee of the Company comprises three members, all of whom are Independent Directors and at the date of this report are:

Low Seow Chye (Chairman)
Tan Keng Lin
Robert Low Mui Kiat

The audit committee has convened four meetings during the year with key management and the external auditors of the Company.

The audit committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act. In performing those functions, the audit committee:

(i) Review of the audit plan and results of the external audit, including the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group;
(ii) Review of the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;
(iii) Review of the quarterly, half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;
(iv) Review of the adequacy of the Group's risk management processes;
(v) Review of the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

9. Audit committee (cont'd)

(vi) Review of interested person transactions in accordance with SGX listing rules;
(vii) Nomination of external auditors and approval of their compensation; and
(viii) Submission of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

The audit committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the audit committee.

The audit committee has recommended the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

10. Independent auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the directors

Quek Sim Pin
Executive Chairman

Low Seow Chye
Independent Director

Singapore
30 March 2016

INDEPENDENT AUDITORS' REPORT
To the Members of ACMA Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Acma Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 26 to 94.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT
To the Members of ACMA Ltd.

Opinion

In our opinion, the financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
30 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2015

	Note	2015 S$'000	2014 S$'000
Revenue	4	71,821	69,878
Other revenue	5	866	983
Total revenue		72,687	70,861
Cost and expenses			
Raw materials and consumables used	6	(34,531)	(42,523)
Changes in inventories of finished goods and work-in-progress		(6,562)	4,297
Labour costs		(4,501)	(4,533)
Staff costs		(9,953)	(9,365)
Finance costs	7	(358)	(329)
Depreciation of property, plant and equipment		(2,414)	(2,440)
Other operating expenses		(52,147)	(48,075)
Total costs and expenses		(110,466)	(102,968)
Loss from operations		(37,779)	(32,107)
Share of results of associates	13	(177)	219
Loss before income tax	8	(37,956)	(31,888)
Income tax expense	9	(567)	(240)
LOSS FOR THE YEAR		(38,523)	(32,128)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translating foreign operations		534	12
Other comprehensive income for the year		534	12
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(37,989)	(32,116)
(Loss)/Profit attributable to:			
Owners of the parent		(38,966)	(32,624)
Non-controlling interests		443	496
		(38,523)	(32,128)
Total comprehensive loss attributable to:			
Owners of the parent		(38,432)	(32,612)
Non-controlling interests		443	496
		(37,989)	(32,116)
Loss per share attributable to owners of the parent (cents per share)			
Basic and diluted	10	(92)	(77)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2015

	Note	Group 2015 S$'000	Group 2014 S$'000	Company 2015 S$'000	Company 2014 S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	6,166	7,326	70	101
Investments in subsidiaries	12	–	–	19,715	19,561
Investments in associates	13	128	36,824	20	35,589
Other investments	14	1,921	2,779	–	–
Intangible assets	15	3,443	3,443	–	–
Other assets	16	1,201	1,306	1,201	1,306
Total non-current assets		12,859	51,678	21,006	56,557
Current assets					
Inventories	17	7,495	7,368	–	–
Work-in-progress	18	111	625	–	–
Trade and other receivables	19	32,528	41,531	237	130
Amounts owing by subsidiaries	12	–	–	37,267	45,149
Amounts owing by associates	13	2,573	2,260	753	724
Marketable securities	20	3	4	–	–
Cash and bank balances	21	9,727	7,168	49	43
Total current assets		52,437	58,956	38,306	46,046
Total assets		65,296	110,634	59,312	102,603
EQUITY AND LIABILITIES					
Equity					
Share capital	22	195,038	195,038	195,038	195,038
Warrant reserve	23	–	–	–	–
Capital reserve	24	2,104	2,104	–	–
Employee share options reserve		97	97	97	97
General reserve		290	290	290	290
Accumulated losses		(168,161)	(129,195)	(169,926)	(124,478)
Foreign currency translation reserve	25	2,354	1,820	–	–
Equity attributable to owners of the parent		31,722	70,154	25,499	70,947
Non-controlling interests		2,530	2,237	–	–
Total equity		34,252	72,391	25,499	70,947
Non-current liabilities					
Finance lease payables	26	4	31	–	–
Provision	27	661	1,125	–	–
Deferred tax liabilities		9	–	–	–
Total non-current liabilities		674	1,156	–	–
Current liabilities					
Work-in-progress	18	29	55	–	–
Finance lease payables	26	27	26	–	–
Provision	27	544	375	–	–
Bank borrowings	28	7,900	4,246	–	–
Trade and other payables	29	21,322	32,249	747	610
Amounts owing to subsidiaries	12	–	–	33,066	31,046
Income tax payables		548	136	–	–
Total current liabilities		30,370	37,087	33,813	31,656
Total liabilities		31,044	38,243	33,813	31,656
Total equity and liabilities		65,296	110,634	59,312	102,603

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the Financial Year Ended 31 December 2015

	Attributable to owners of the parent									
	Share capital S$'000	Warrant reserve S$'000	Capital reserve S$'000	Employee share options reserve S$'000	General reserve S$'000	Accumulated losses S$'000	Foreign currency translation reserve S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Group										
Balance at 1 January 2014	193,920	–	1,786	42	290	(96,253)	1,808	101,593	1,741	103,334
Loss for the year	–	–	–	–	–	(32,624)	–	(32,624)	496	(32,128)
Other comprehensive income:										
Foreign currency translation reserve	–	–	–	–	–	–	12	12	–	12
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(32,624)**	**12**	**(32,612)**	**496**	**(32,116)**
Share options exercised (Note 22)	350	–	–	–	–	–	–	350	–	350
Transfer to statutory reserve	–	–	318	–	–	(318)	–	-	–	-
Cost of share-based payment	–		–	55	–	–	–	55	–	55
Issuance of new shares pursuant to a Share Subscription Agreement (Note 22)	768	–	–	–	–	–	–	768	–	768
Balance at 31 December 2014	195,038	–	2,104	97	290	(129,195)	1,820	70,154	2,237	72,391
Balance at 1 January 2015	195,038	–	2,104	97	290	(129,195)	1,820	70,154	2,237	72,391
Loss for the year	–	–	–	–	–	(38,966)	–	(38,966)	443	(38,523)
Other comprehensive income:										
Foreign currency translation reserve	–	–	–	–	–	–	534	534	–	534
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(38,966)**	**534**	**(38,432)**	**443**	**(37,989)**
Dividends paid to a non-controlling shareholder by a subsidiary company	–	–	–	–	–	–	–	–	(150)	(150)
Balance at 31 December 2015	195,038	–	2,104	97	290	(168,161)	2,354	31,722	2,530	34,252

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the Financial Year Ended 31 December 2015

	Attributable to owners of the Company					
	Share capital	Warrant reserve	Employee share options reserve	General reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Company						
Balance at 1 January 2014	193,920	–	42	290	(93,189)	101,063
Loss and total comprehensive loss for the year	–	–	–	–	(31,289)	(31,289)
Share options exercised	350	–	–	–	–	350
Cost of share-based payment	–	–	55	–	–	55
Issuance of new shares pursuant to a Share Subscription Agreement	768	–	–	–	–	768
Balance at 31 December 2014	195,038	–	97	290	(124,478)	70,947
Balance at 1 January 2015	195,038	–	97	290	(124,478)	70,947
Loss and total comprehensive loss for the year	–	–	–	–	(45,448)	(45,448)
Balance at 31 December 2015	195,038	–	97	290	(169,926)	25,499

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Year Ended 31 December 2015

	2015 S$'000	2014 S$'000
Operating Activities		
Loss before income tax	(37,956)	(31,888)
Adjustments for:		
Depreciation of property, plant and equipment	2,414	2,440
Amortisation of long-term operating lease	562	517
Amortisation of other assets	105	105
Cost of share-based payment	–	55
Write-off of property, plant and equipment	–	35
Unrealised exchange differences	139	(403)
Loss on disposal of property, plant and equipment	1	–
Interest income	(188)	(223)
Interest expense	358	329
Write-back of allowance on impairment of doubtful receivables	–	(73)
Allowance on impairment of doubtful receivables	105	644
Allowance on impairment of doubtful receivables in associates	61	–
Write-back of impairment loss on property, plant and equipment	–	(1)
Write-back of allowance on inventory obsolescence	(122)	(178)
Allowance on impairment loss on other investment	467	2,548
Impairment of associated companies	36,519	29,483
Provision for onerous contract	290	1,500
Utilisation of provision for onerous contract	(585)	–
Loss on revaluation of marketable securities	1	1
Share of results of associates	177	(219)
Total operating cash flows before movements in working capital	2,348	4,672
Changes in working capital		
Trade and other receivables	9,006	(7,633)
Inventories and work-in-progress	361	(3,173)
Trade and other payables	(11,174)	9,522
Cash generated from operations	541	3,388
Income taxes paid	(146)	(186)
Net cash flows from operating activities	395	3,202
INVESTING ACTIVITIES		
Interest received	6	13
Purchase of property, plant and equipment	(917)	(1,137)
Net cash flows used in investing activities	(911)	(1,124)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Year Ended 31 December 2015

	Note	2015 S$'000	2014 S$'000
Financing Activities			
Interest paid		(212)	(329)
Proceeds from bank borrowings		4,087	–
Repayment of bank borrowings		–	(960)
Decrease in finance lease		(26)	(26)
Increase in amounts owing by associates		(313)	(207)
Dividends paid by a subsidiary to a non-controlling shareholder		(150)	–
Proceeds from issue of new shares		–	768
Proceeds from issuance of shares on exercise of share options		–	350
Net cash flows generated from/(used in) financing activities		3,386	(404)
Net increase in cash and cash equivalents		2,870	1,674
Cash and cash equivalents at beginning of the financial year		6,313	4,617
Effect of currency translation on cash and cash equivalents		122	22
Cash and cash equivalents at end of the financial year	21	9,305	6,313

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Acma Ltd. (the “Company”) (Registration Number: 196500233E) is incorporated and domiciled in Singapore with its principal place of business and registered office at 17 Jurong Port Road, Singapore 619092.

The principal activity of the Company is that of investment holding. The principal activities of the respective subsidiaries are disclosed in Note 12 to the financial statements.

The financial statements of Acma Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 30 March 2016.

2. Summary of significant accounting policies

2.1. Basis of preparation

The financial statements of the Group and statement of financial position and changes in equity of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the “Act”) and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS (“INT FRS”) and are prepared on historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are presented in Singapore dollar (“S$”) which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand (“S$’000”), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/ revised FRS and INT FRS did not result in changes to the Group’s and Company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 January 2016
FRS 7	Amendments to FRS 7: Disclosure Initiative	1 January 2017
FRS 12	Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants	1 January 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
FRS 109	Financial Instruments	1 January 2018
FRS 111	Amendments to FRS 111: Accounting Acquisitions of Interests in Joint Operations	1 January 2016
FRS 110, FRS 112, FRS 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment entities: Applying the consolidation exception (Editorial corrections in June 2015)	1 January 2016
FRS 114	Regulatory Deferral Accounts	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 115	Amendments to FRS 115: Effective Date of FRS 115	1 January 2018
Various	Improvements to FRSs (November 2014)	1 January 2016

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group and the Company have not early adopted any of the above new/revised standards, interpretations and amendments to the existing standards in the financial year ended 31 December 2015. Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group's and the Company's significant accounting policies and presentation of the financial information will result.

FRS 109 Financial Instruments

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Financial assets are classified into financial assets measured at (i) fair value through profit or loss; (ii) amortised cost; or (iii) fair value through other comprehensive income, depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, or as otherwise designated as such upon initial recognition, if allowed.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS 109 Financial Instruments (Continued)

Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the entity will have a choice to recognise the gains and losses in other comprehensive income if the financial assets are measured at fair value through other comprehensive income.

There have been no changes in the de-recognition requirements of financial assets and liabilities, nor the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch.

A new forward-looking impairment model based on expected credit losses, which replaces the incurred loss model in FRS 39, determines the recognition of impairment provisions as well as interest revenue. An entity will recognise (at a minimum of) 12 months of expected credit losses in profit or loss for financial assets measured at amortised cost or fair value through other comprehensive income, unless in the circumstance when there is a significant increase in credit risk after initial recognition which requires the entity to recognised lifetime expected credit losses on the affected assets.

The Group does not intend to early adopt FRS 109. The Group is still assessing the potential impact of FRS 109 on its financial statements in the initial year of adoption.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services* to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Entities are required to adopt a five-step model which requires (i) their identification of the contract; (ii) their identification of the performance obligations in the contract; (iii) the determination of; (iv) allocation of the transaction price; and (v) recognition of revenue when (i.e. at a point in time) or as (i.e. over time) each performance obligation is satisfied.

The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services.

The Group does not intend to early adopt FRS 115. The Group is still assessing the potential impact of FRS 115 on its financial statements in the initial year of adoption.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Business combinations

<u>Business combinations from 1 January 2010</u>

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations* which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment* and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Asset Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations from 1 January 2010 (Continued)

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations were accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as step acquisitions. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

(a) Sale of goods

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; is able to reliably measure the amount of revenue and the cost incurred or to be incurred in respect of the transaction; and assesses that it is probable for the economic benefits associated with the transaction to flow to the entity. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Contract revenue and service income

Revenues and results from contract work are recognised on the percentage of completion method and losses are provided for as they become known. Stage of completion is measured by reference to the survey of work performed. Claims for additional contract compensation are not recognised until resolved.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenues from the provision of services are recognised upon the rendering of the services.

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(d) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(e) Rental income

Rental income is accounted for on a straight-line basis over the relevant lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. Summary of significant accounting policies (Continued)

2.6 Retirement benefit costs

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

2.7 Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 Equity settled benefits

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in employee share option reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

When the options are exercised, the proceeds received (net of any directly attributable transaction costs) and the related balance previously recognised in the share options reserve are credited to share capital, when new ordinary shares are issued.

2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group’s liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

2. Summary of significant accounting policies (Continued)

2.9 Income tax (Continued)

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable.

2.11 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the dates of the transactions. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. Summary of significant accounting policies (Continued)

2.11 Foreign currency transactions and translation (Continued)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.12 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold buildings and improvements	-	3 to 20 years
Furniture and equipment	-	3 to 10 years
Motor vehicles	-	5 years
Plant and machinery	-	5 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of significant accounting policies (Continued)

2.12 Property, plant and equipment (Continued)

The estimated useful lives and depreciation method are reviewed at each financial year end to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

2.13 Intangible assets

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary.

Distribution rights

Distribution rights represent the directors' estimate of the value in use of the portfolios of distribution agreements held by subsidiaries within the Group. Distribution rights are amortised by an accelerated-rate method over a period of 6 to 15 years.

The directors consider the amount at which this asset is stated is not in excess of the price which a prospective purchaser would pay to acquire the asset. This valuation is reviewed at each reporting date in the light of prevailing circumstances.

2. Summary of significant accounting policies (Continued)

2.14 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* from the date on which the investee become an associate. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

The financial statements of the associates are prepared as at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in its separate financial statements.

2.15 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. Summary of significant accounting policies (Continued)

2.15 Impairment of tangible and intangible assets excluding goodwill (Continued)

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.16 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

All financial assets are recognised on a trade date - the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Financial asset at fair value through profit or loss ("FVTPL")

A financial asset is classified as FVTPL if the financial asset is either held for trading or is designated as such upon initial recognition.

A financial asset is classified as held-for-trading if it has been acquired principally for the purpose of selling in the short term; or if it is part of an identified portfolio of financial instruments with a recent actual pattern of short-term profit-taking and which is managed by the Group; or if it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee contract.

2. Summary of significant accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Financial asset at fair value through profit or loss ("FVTPL") (Continued)

A financial asset which is not classified as held-for-trading may be designated as FVTPL upon initial recognition if the financial asset is managed as part of a group of financial instruments, with its performance being evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Gains or losses arising from changes in the fair value are recognised in profit or loss. The net gain or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

The Group's loans and receivables comprise trade and other receivables (excluding prepayments), amounts owing by subsidiaries and associates and cash and cash equivalents.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets (AFS)

Certain equity instruments and debt securities held by the Group are classified as AFS if they are not classified in any of the other categories. Subsequent to initial recognition, with the exception of unquoted equity instruments that are not carried at fair value as the fair value cannot be reliably measured, AFS are measured at fair value and changes therein are recognised directly in the available-for-sale reserve with the exception of impairment losses, interests calculated using the effective interest method and foreign exchange gains and losses arising from monetary items. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale reserve is included in profit or loss for the year.

Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental cost directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Other financial liabilities

Trade and other payables

Trade and other payables, finance lease payables and amounts owing to subsidiaries are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

2. Summary of significant accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Groups accounting policy for borrowing costs (see above).

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contracts are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

In accordance with FRS 39, where intra-group guarantees are issued at nil consideration the issuer would then recognise a liability for the intra-group guarantee at fair value. The difference between fair value and consideration is accounted for as an investment in subsidiary where guarantee is given on behalf of the subsidiary.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.18 Service contracts

Where the outcome of a service contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the service activity at the end of the financial year (percentage-of-completion method), except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

2. Summary of significant accounting policies (Continued)

2.18 Service contracts (Continued)

Where the outcome of a service contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

At the end of the financial year, the aggregated costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented in current asset on the face of the statement of financial position as work-in-progress. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented in current liabilities on the face of the statement of financial position as work-in-progress.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, bank overdrafts and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.20 Leases

<u>Finance leases</u>

Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (please see above).

<u>Operating leases</u>

Lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. Summary of significant accounting policies (Continued)

2.20 Leases (Continued)

Operating leases (Continued)

Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.22 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2. Summary of significant accounting policies (Continued)

2.23 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.24 Long-term prepaid operating lease

Long-term operating lease represents prepaid lease payments for use of land in which the Company's operational headquarters reside and is amortised on a straight-line basis over 20 years.

2.25 Warrants

The proceeds received from the subscription price for the issue of warrants are credited to the warrant reserves. As and when the warrants are exercised, the subscription price for the warrants exercised will be transferred from the warrant reserve to share capital. Upon expiry of the warrants, the balance of the warrant reserve representing the proceeds from the issuance of the warrants not exercised will be taken to accumulated profits.

2.26 Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

3. Significant accounting estimates and judgements

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3. Significant accounting estimates and judgements (Continued)

3.1 Critical judgements made in applying the Group's accounting policies (Continued)

Impairment of financial assets

The Group follows the guidance of FRS 39 *Financial instruments: Recognition and Measurement* in assessing its financial assets for impairment. This assessment requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of an asset is less than its cost; and the financial health of and near-term business outlook for the asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Impairment of other assets

The Group assesses whether there are any indication of indefinite impairment for its other assets other than goodwill and intangible assets with an indefinite useful life, before computing the recoverable value of asset value. Goodwill and intangible assets with an indefinite useful life are assessed for their recoverable amounts at each reporting date.

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the Group's asset. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The Group evaluates among other factors, the reasonableness of the expected future cashflows in light of industry and business outlook and the appropriateness and relevant of the key assumption, including the discount rate, used in the value-in-use calculation.

Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entities operate that mainly influences sales prices of goods and services and the currency of the country whose consideration factors include the currency competitive forces and regulations mainly determines the sales prices of its goods and services.

Determination of significant influence over associate, Neftech Pte. Ltd.

The Group held 48.9% of the voting rights in the associate, Neftech Pte. Ltd. ("Neftech") as of 31 December 2015. In consideration of the relatively significant voting rights it holds in the investee entity, the Group considered both FRS 28 *Investments in Associates and Joint Ventures* and FRS 110 *Consolidated Financial Statements* to determine whether it holds control or just significant influence over Neftech. The Group considered factors, including but not limited to, the size of its holding of voting rights relative to the size and dispersion of holdings of the other vote holders, its representation at shareholders' and directors' meetings and the voting patterns, the composition of key management personnel in Neftech, and contractual arrangements. Consequently, the Group assessed that it has significant influence over Neftech and classified the investee entity as associate.

3. Significant accounting estimates and judgements (Continued)

3.1 Critical judgements made in applying the Group's accounting policies (Continued)

Service contracts

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of each financial year, when the outcome of a service contract can be estimated reliably. The stage of completion is measured by reference to the proportion of contract cost incurred for work performed to date compared to the estimated total contract cost. Significant assumptions are required to estimate the contract costs and the recoverable variation works that affect the stage of completion. In making these estimates, management has relied on past experiences and knowledge of the project engineers. The carrying amounts of work-in-progress as at 31 December 2015 included in current assets and current liabilities were S$111,000 (2014: S$625,000) and S$29,000 (2014: S$55,000) respectively.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below:

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 3 to 20 years. Changes in the expected level of usage and technological developments could affect the economics useful lives of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment at 31 December 2015 were S$6,166,000 (2014: S$7,326,000) and S$70,000 (2014: S$101,000) respectively.

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's and Company's current tax payable as at 31 December 2015 was S$548,000 (2014: S$136,000) and Nil (2014: Nil) respectively.

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's and Company's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2015 was S$7,495,000 (2014: S$7,368,000).

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Impairment of investments in subsidiaries and associates

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. The Company's and Group's assessment are based on the estimation of the value-in-use of the necessary assets as defined in FRS 36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amounts of investments in subsidiaries and associates as at 31 December 2015 were S$19,715,000 (2014: S$19,561,000) and S$20,000 (2014: S$35,589,000) respectively. The Group's carrying amount of investments in associates was S$128,000 (2014: S$36,824,000).

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired includes an estimation of the value-in-use of the cash-generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year. The carrying amount of goodwill as at 31 December 2015 was S$3,443,000 (2014: S$3,443,000).

Impairment of receivables

The Group assesses its receivables on a continuous basis for any objective evidence of impairment by considering factors, including the aging profile, the credit worthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of the Group's and the Company's trade and other receivables as at 31 December 2015 were S$32,528,000 (2014: S$41,531,000) and S$237,000 (2014: S$130,000) respectively.

The carrying amounts of the Group's and the Company's amounts owing by associates as at 31 December 2015 were S$2,573,000 (2014: S$2,260,000) and S$753,000 (2014: S$724,000) respectively.

The carrying amounts of the Company's amount owing by subsidiaries as at 31 December 2015 was S$37,267,000 (2014: S$45,149,000).

4. Revenue

	Group	
	2015	2014
	S$'000	S$'000
Sale of goods	69,126	67,297
Contract revenue	2,368	1,870
Rental income	327	711
	71,821	69,878

5. Other revenue

	Group	
	2015	2014
	S$'000	S$'000
Interest income	188	223
Secondary income from leased premises	364	445
Others	314	315
	866	983

6. Raw materials and consumables used

	Group	
	2015	2014
	S$'000	S$'000
Raw materials and consumables used	25,223	33,231
Subcontracting of works	9,308	9,292
	34,531	42,523

7. Finance costs

	Group	
	2015	2014
	S$'000	S$'000
Interest expense on bank overdrafts	188	186
Interest expense on trust receipts and bills payable	170	140
Interest expense on finance lease	–	3
	358	329

8. Loss before income tax

The following charges/(credit) were included in the determination of loss before income tax:

	Group	
	2015	2014
	S$'000	S$'000
Foreign exchange gain, net	(989)	(410)
Directors' fees:		
- Directors of the Company	114	113
Directors' remuneration other than fees:		
- Directors of the Company - short-term benefits	413	333
Other staff cost	9,953	8,278
Costs of defined contribution plans	777	754
Audit fees paid to auditors:		
- Auditors of the Company	230	230
- Other auditors of subsidiaries	65	70
Non-audit fees paid to auditors:		
- Auditors of the Company	11	17
- Other auditors of subsidiaries	3	3
Interest income from banks	(29)	(15)
Operating lease expenses	2,157	1,966
Utilisation of provision for onerous contact	(585)	–
Impairment losses		
- Provision for onerous contracts	290	1,500
- Allowance on impairment of doubtful receivables	105	644
- Allowance on impairment of doubtful receivables from associates	61	–
- Allowance on impairment loss on other investments	467	2,548
- Impairment on investments in associates	36,519	29,483

9. Income tax expense

	Group	
	2015	2014
	S$'000	S$'000
Current tax	503	237
Under provision in respect of prior years	64	3
	567	240

9. Income tax expense (continued)

Reconciliation of effective tax rate is as follows:

	Group	
	2015	2014
	S$'000	S$'000
Loss before income tax	(37,956)	(31,888)
Taxation at statutory rate of 17%	(6,453)	(5,421)
Adjustments:		
Income not subject to tax	(2,778)	(1,553)
Effect of expenses not deductible for tax purposes	9,522	6,797
Effect of different tax rates of subsidiaries operating in other jurisdictions	84	204
Effect of tax concession	(8)	(47)
Deferred tax assets not recognised	200	260
Income tax expense	567	240

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2014: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. Acot Plastics (Xiamen) Co., Ltd was awarded the approved High Technology Enterprise status and is entitled to a concessionary tax rate of 15% for the financial years from 2011 to 2014. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

The Singapore Government has announced on 24 March 2016 that companies will receive a corporate income tax rebate of 50% (Year of Assessment 2015: 30%) net of all other tax set-off, subject to a cap of S$20,000, per Years of Assessment 2016 and 2017 (Year of Assessment 2015: S$30,000).

Deferred tax assets of certain subsidiaries have not been recognised as it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The unrecognised deferred tax assets arise mainly from unutilised tax losses of S$24,488,000 (2014: S$23,667,000).

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate.

Pursuant to the PRC Enterprise Income Tax Law (中华人民共和国企业所得税法) which was promulgated on 22 February 2008, dividends distributed by PRC entities for profits generated before 1 January 2008 are exempted from withholding tax. Dividends paid in respect of profits generated on or after 1 January 2008 from the Group's foreign invested PRC enterprises will be subject to a withholding tax of 5%.

Deferred tax has not been provided in respect of temporary differences in relation to the undistributed earnings of the subsidiaries as at 31 December 2015 and 2014 amounting to approximately S$4.4 million and S$4.2 million respectively as the Group is able to control the timing of the reversal and it is probable that such differences will not be reversed in the foreseeable future.

10. Loss per share

The calculation of the basic loss per share attributable to owners of the parent is based on the following data:

	Group	
	2015	2014
	S$'000	S$'000
Loss		
Net loss attributable to owner of the parent	(38,966)	(32,624)

	Group	
	2015	2014
	No. of shares '000	No. of shares '000 (Restated)*
Number of shares		
Weighted average number of ordinary shares	42,391	42,272

Basic loss per share (cents)

	2015	2014
	cents	cents (Restated)*
Loss per share	92	77

There are no potential dilutive ordinary shares of warrants and share options since the exercise price of the warrants and share options were higher than the average market price for last 30 days of the financial year of the Company's ordinary shares during the year ended 31 December 2015. Therefore, no shares were assumed to have been issued on the deemed exercise of the Company's outstanding warrants during the year ended 31 December 2015. Accordingly, the diluted loss per share is the same as the basic loss per share.

The basic loss per share is calculated by dividing the net loss attributable to owner of the parent by the weighted average number of ordinary shares in issue during the year.

* After the completion of share consolidation on 4 June 2015, the basic and diluted loss per share for the corresponding period has been restated on the basis of the Company's share consolidation.

11. Property, plant and equipment

Group	Leasehold buildings and improvements S$'000	Furniture and equipment S$'000	Motor vehicles S$'000	Plant and machinery S$'000	Total S$'000
Cost or valuation:					
At 1 January 2014	4,305	5,837	1,066	31,349	42,557
Additions	18	305	108	706	1,137
Disposals	–	–	–	(144)	(144)
Written-off	–	(115)	–	(326)	(441)
Currency realignment	86	41	5	635	767
At 31 December 2014	4,409	6,068	1,179	32,220	43,876
Additions	17	351	51	498	917
Disposals	–	(4)	–	(2)	(6)
Written-off	–	(17)	–	(314)	(331)
Currency realignment	114	48	10	796	968
At 31 December 2015	4,540	6,446	1,240	33,198	45,424
Accumulated depreciation					
At 1 January 2014	3,757	5,326	870	24,106	34,059
Depreciation	311	246	68	1,815	2,440
Disposals	–	–	–	(144)	(144)
Write-back of impairment	–	–	–	(1)	(1)
Written-off	–	(115)	–	(291)	(406)
Currency realignment	78	35	5	484	602
At 31 December 2014	4,146	5,492	943	25,969	36,550
Depreciation	221	296	95	1,802	2,414
Disposals	–	(3)	–	(2)	(5)
Transfer	–	(8)	8	–	–
Written-off	–	(17)	–	(314)	(331)
Currency realignment	100	36	6	488	630
At 31 December 2015	4,467	5,796	1,052	27,943	39,258
Net carrying value					
At 31 December 2015	73	650	188	5,255	6,166
At 31 December 2014	263	576	236	6,251	7,326

11. Property, plant and equipment (Continued)

	Leasehold improvements	Furniture and equipment	Motor vehicles	Plant and machinery	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Company					
Cost					
At 1 January 2014	548	1,615	422	20	2,605
Additions	4	15	–	–	19
At 31 December 2014	552	1,630	422	20	2,624
Additions	6	7	–	–	13
At 31 December 2015	558	1,637	422	20	2,637
Accumulated depreciation					
At 1 January 2014	520	1,539	402	20	2,481
Charge for the year	10	22	10	–	42
At 31 December 2014	530	1,561	412	20	2,523
Charge for the year	11	23	10	–	44
At 31 December 2015	541	1,584	422	20	2,567
Carrying value					
At 31 December 2015	17	53	–	–	70
At 31 December 2014	22	69	10	–	101

The net carrying value of plant and equipment acquired under finance lease arrangements for the Group is S$56,000 (2014: S$108,000), and are pledged with a financial institution as at 31 December 2015.

12. Investments in subsidiaries

	Company	
	2015	2014
	S$'000	S$'000
Unquoted equity shares, at cost	363,079	363,079
Deemed injection in subsidiaries arising from financial guarantees	329	175
Net	363,408	363,254
Less: Impairment loss At 1 January and 31 December	(343,693)	(343,693)
Carrying amount	19,715	19,561

12. Investments in subsidiaries (Continued)

	2015 S$'000	2014 S$'000
Amounts owing by subsidiaries	62,387	62,353
Allowance for doubtful debts:		
Balance at 1 January	(17,204)	(17,204)
Impairment loss	(7,916)	–
Balance at 31 December	(25,120)	(17,204)
Carrying amount	37,267	45,149
Amounts owing to subsidiaries	(33,066)	(31,046)

The amounts owing by/(to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

Amount owing by/(to) subsidiaries are denominated in Singapore dollars.

Where there were indications of impairment, management has performed a review of the recoverable amount of its cost of investments in and amounts owing by subsidiaries as at 31 December 2015. Based on the review, no further impairment charges were made 2015 and 2014 in respect of the cost of investments in the subsidiaries.

The estimates of the recoverable amount are determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by the Board of Directors covering a five-year period.

The key assumptions used for value-in-use calculations are as follows:

(i) The anticipated annual revenue growth included in cash flow projections is 0% to 2.8% (2014: 0% to 5%); and

(ii) Pre-tax discount rate of 9% (2014: 9%) has taken into consideration of respective country's prime lending rate.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal sources, including but not limited to historical data.

Details of subsidiaries directly held by the Company and their cost of investment to the Company as at 31 December 2015 are:

	2015 S$'000	2014 S$'000
Acma ICCL Pte Ltd	13,039	13,039
Acma Investments Pte Ltd	108,920	108,920
Spageddies Pte. Ltd.	500	500
Acma Technologies Pte Ltd	165,300	165,300
Lityan Systems (S) Pte Ltd	75,320	75,320
	363,079	363,079
Deemed injection in subsidiaries arising from financial guarantees	329	175
	363,408	363,254

12. Investments in subsidiaries (Continued)

Details of subsidiaries at 31 December 2015 are:

Name of company	Principal activities	Country of incorporation (iii)	Percentage of effective equity held by the Group	
			2015	2014
Held by the Company			%	%
Acma ICCL Pte Ltd	Investment holding	Singapore	100	100
Acma Investments Pte Ltd	Investment holding	Singapore	100	100
Spageddies Pte. Ltd.	Dormant	Singapore	100	100
Acma Technologies Pte Ltd	Investment holding	Singapore	100	100
Lityan Systems (S) Pte Ltd	Sales, maintenance and rental of communication equipment, computer equipment, peripherals and other office and industrial equipment and supplies	Singapore	100	100

12. Investments in subsidiaries (Continued)

	Name of company	Principal activities	Country of incorporation (iii)	Percentage of effective equity held by the Group 2015	2014
	Held by subsidiaries			%	%
*	Acma Engineers Private Limited	Sole distributor of Hitachi air-conditioner packaged units and multi-split units	Singapore	70	70
	Acma Strategic Holdings Limited (iv)	Investment holding	Hong Kong	90	90
*	Acot Holdings Pte Ltd	Investment holding and trading of tools and moulds	Singapore	100	100
**	Acot Plastics (Xiamen) Co., Ltd (1)	Manufacturing of tools, automotive moulds and plastic injection moulding	People's Republic of China	100	100
**	Acot Tooling (Xiamen) Co., Ltd (1)	Manufacturing of tools and automotive moulds	People's Republic of China	100	100
**	AL&W Limited (2)	Investment holding	Hong Kong	70	70
**	Dongguan Chuangying Lihua Mould Co., Ltd (3)	Manufacturing of moulds	People's Republic of China	70	70
*	Global Tech Pte Ltd	Investment holding	Singapore	100	100
	Magnatech Pte. Ltd. (iv)	Investment holding	Singapore	100	100
*	Ray Tech Acot Singapore Pte Ltd	Trading in moulds and injected plastic parts	Singapore	82.5	82.5
**	Rinzai Limited (4)	Trading of telecommunications and networking equipment and investment holding	Hong Kong	100	100
**	Shanghai Acma Precision Plastics Co., Ltd (6)	Dormant	People's Republic of China	100	100

Note: (i) Companies indicated with (*) are audited by Mazars LLP, Singapore.

(ii) Companies indicated with (**) are audited by other auditors
- (1) Audited by Grant Thornton (Xiamen), PRC
- (2) Audited by BDO Limited, Hong Kong
- (3) Audited by Guangdong CCAT Certified Public Accountants Co., Ltd, PRC
- (4) Audited by S.Y. Yang & Company, Hong Kong
- (5) Audited by Shanghai Hua Cheng Certified Public Accountants Co., Ltd, PRC

(iii) All active companies are operating in their respective country of incorporation.

(iv) These subsidiaries are in the process of liquidation, and exempted for audit.

12. Investments in subsidiaries (Continued)

The Company has the following subsidiaries which have non-controlling interests ("NCI") that are material to the Group:

Subsidiaries	Proportion of ownership interest held by NCI		Profit allocated to NCI during the financial year		Accumulated NCI at the reporting date		Dividends paid to NCI	
	2015	2014	2015	2014	2015	2014	2015	2014
	%	%	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Acma Engineers Private Limited	30	30	81	185	272	365	150	–
AL&W Limited	30	30	315	207	695	348	–	–

Summarised financial information (before intercompany eliminations):

	Acma Engineers Private Limited		AL&W Limited	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Assets				
Non-current	177	219	856	1,233
Current	7,599	8,030	7,096	8,056
Liabilities				
Non-current	9	40	–	–
Current	4,303	4,560	4,722	7,279
Net assets	3,464	3,649	3,230	2,010
Revenue	15,306	11,355	10,610	9,914
Profit after income tax and total comprehensive income	271	615	1,050	689
Net cash flow from/(used in) operation	1,450	(244)	552	146

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group except for cash and bank balances held in the People's Republic of China of S$3.7 million (2014: S$2.4 million) which are subject to local exchange control regulations which restrict the amount of currency to be exported other than through dividends.

13. Investments in associates

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Unquoted equity investment, share of net assets				
At beginning of year	36,824	66,088	35,589	65,072
Share of (loss)/profits	(177)	219	–	–
Impairment loss	(36,519)	(29,483)	(35,569)	(29,483)
At end of year	128	36,824	20	35,589
Unquoted equity shares, at cost				
At beginning and end of year	65,767	65,767	65,072	65,072
Share of accumulated post-acquisition results				
At beginning of year	540	321	–	–
Share of current year's results	(177)	219	–	–
At end of year	363	540	–	–
Impairment				
At beginning of year	29,483	–	29,483	–
Addition	36,519	29,483	35,569	29,483
At end of the year	66,002	29,483	65,052	29,483
Carrying amount	128	36,824	20	35,589
Amounts owing by associates	4,184	3,810	1,018	989
Less: Allowance for doubtful debts				
At beginning of year	(1,550)	(1,550)	(265)	(265)
Additions	(61)	–	–	–
At end of year	(1,611)	(1,550)	(265)	(265)
Carrying amount	2,573	2,260	753	724

Amounts owing by associates are denominated in Singapore dollars.

Included in amounts owing by associates is an amount of S$3.9 million (2014: S$3.7 million) which is unsecured, bears interest at 5.25% (2014: 5.25%) per annum for principal sum and 7.25% (2014: 7.25%) per annum for accrued interests and repayable on demand.

13. Investments in associates (Continued)

Management has performed a review of the recoverable amount of its cost of investments in and amounts owing by associates as at 31 December 2015. Based on the review, an impairment charge of S$61,000 (2014: Nil) was made in respect of the amounts owing by associates and impairment of S$36,519,000 (2014: S$29,483,000) was made in respect of its investment in an associate.

The estimates of the recoverable amount are determined based on value-in-use calculations. Cash flow projections used in these calculations were based on their review of historical performance and the most recent financial budgets approved by Board of Directors covering a five-year period.

The key assumptions used for value-in-use calculations, other than the long-term growth rate of 1% (2014: 3%) are as follows:

	Growth rate %		Discount rate [1] %	
	2015	2014	2015	2014
Neftech Pte. Ltd.	(23) to 156	13 to 79	9	9

Note: [1] Pre-tax discount rate has taken into consideration Singapore's prime lending rate.

The values assigned to the key assumptions represent management's assessment of future trends in the industry, which took into consideration of the fall in energy prices, and are based on both external and internal sources, including but not limited to historical data.

The estimated recoverable amount of management as at 31 December 2015 was nil as the calculation of value-in-use delivered a negative net present value.

13. Investments in associates (Continued)

Summarised financial information of the Group's associate, Neftech Pte. Ltd. (based on its FRS financial statements):

	Neftech Pte. Ltd.	
	2015	2014
	S$'000	S$'000
Assets and liabilities:		
Non-current assets	14	24
Current assets	757	1,518
Total assets	771	1,542
Non-current liabilities	764	736
Current liabilities	1,040	1,352
Total liabilities	1,804	2,088
Net liabilities	(1,033)	(546)
Group's share of associate's net liabilities	(505)	(267)
Identifiable asset at acquisition	34,161	34,161
Goodwill on acquisition	30,892	30,892
Impairment loss	(65,053)	(29,483)
Other adjustments	–	(126)
Carrying amount of the investment as at 31 December	–	35,444
Results		
Revenue	439	1,550
(Loss)/Profit for the year and total comprehensive income	(487)	248
Group's share of associates' (loss)/profit for the year	(238)	121

The carrying amount of the Group's investments in associates that are not individually material is S$128,000 (2014: S$1,380,000).

Aggregate information (based on their FRS financial statements) about the Group's investments in associates that are not individually material is as follows:

	2015	2014
	S$'000	S$'000
(Loss)/Profit after income tax	(46)	459
Other comprehensive income	193	112
Total comprehensive income	147	571

13. Investments in associates (Continued)

Details of associates at 31 December are:

Name of company	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2015 %	2014 %
Held by the Company				
Neftech Pte. Ltd. [1]	Development and commercialisation of its proprietary cavitation technology in fuel efficiency	Singapore	48.9	48.9
Femto Pte. Ltd. [1]	Manufacture of additives	Singapore	20	20
Held by subsidiary				
Xenon Manufacturing Pte Ltd [2]	Investment holding and general trading	Singapore	40	40
Metal Printing and Packaging Ltd [3]	Metal printing and packaging	Vietnam	40	40

Note: (1) Audited by Tit Wei Lee & Co, Singapore
(2) Audited by CA Practice PAC, Singapore
(3) Audited by Global Auditing and Financial Consultancy Co., Ltd, Vietnam

14. Other investments

	Group 2015 S$'000	2014 S$'000
Non-current		
Available-for-sale		
Unquoted equity shares		
At cost	9,076	9,076
Less: Impairment loss		
At 1 January and 31 December	(9,076)	(9,076)
Net	–	–

The investments in unquoted equity shares are carried at cost as there are no available methods to reasonably estimate the fair values. The amounts are denominated in United States dollar.

14. Other investments (Continued)

	Group 2015 S$'000	Group 2014 S$'000
Non-current		
Long-term operating lease, at cost		
At 1 January	16,959	16,240
Currency realignment	1,263	719
At 31 December	18,222	16,959
Less: Accumulated amortisation		
At 1 January	(8,905)	(8,001)
Currency realignment	(701)	(387)
Charge for the year	(562)	(517)
At 31 December	(10,168)	(8,905)
Less: Accumulated impairment		
At 1 January	(5,275)	(2,623)
Addition	(467)	(2,548)
Currency alignment	(391)	(104)
At 31 December	(6,133)	(5,275)
Net	1,921	2,779
Total	1,921	2,779

The long-term operating lease is situated in Russia, falls in the "Other" business segment (Note 32) and has a remaining lease period of 10 years (2014: 11 years) as at 31 December 2015 with an option to renew for another 5 years. The lease is denominated in Russian Rouble (2014: United States dollar).

During the financial year ended 31 December 2015, impairment loss of approximately S$467,000 (2014: S$2,548,000) was recognised in profit or loss subsequent to a review of the recoverable amount of the lease determined based on value-in-use calculation, using pre-tax discount rate of 13.0% (2014: 8.8%).

15. Intangible assets

	Distribution rights	Goodwill	Total
	S$'000	S$'000	S$'000
Group			
Cost			
At beginning and end of the year	2,160	3,443	5,603
Accumulated amortisation			
At beginning and end of the year	2,160	–	2,160
Net carrying value			
As at 31 December 2015	–	3,443	3,443
As at 31 December 2014	–	3,443	3,443

Goodwill acquired in a business combination is allocated to the cash-generating units (CGU) that are expected to benefit from that business combination. The carrying amount of goodwill was allocated to AL&W Limited as a single CGU.

The Group tests the CGU for impairment annually, or more frequently when there is an indication that the unit may be impaired.

The estimate of the recoverable amount is determined based on value-in-use calculations. Cash flow projection used in this calculation was based on financial budgets covering a five-year period.

The key assumptions used in value-in-use calculations are as follows:

(i) The anticipated annual revenue growth included in cash flow projection is 2% to 2.8% (2014: 0% to 5%); and

(ii) Pre-tax discount rate of 9% (2014: 9%) has taken into consideration of the Group's current borrowing costs.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal sources, including but not limited to historical data.

16. Other assets

	Group and Company	
	2015	2014
	S$'000	S$'000
Long-term prepaid operating lease, at cost	2,060	2,060
Less: Accumulated amortisation		
At 1 January	(754)	(649)
Charge for the year	(105)	(105)
At 31 December	(859)	(754)
Net carrying value	1,201	1,306

16. Other assets (Continued)

In 2007, the Company entered into a 20-year, non-transferable prepaid operating lease for a property where the Group's operational headquarters reside. Under the agreement, the Company can cancel the lease at any time giving 6 months' notice. Should that occur, a portion of the prepaid amount will be refunded to the Company in accordance with the terms and conditions in the agreement. As at 31 December 2015, the remaining lease period is 11 years (2014: 12 years).

17. Inventories

	Group	
	2015	2014
	S$'000	S$'000
Materials	1,321	1,185
Work-in-progress	3,357	3,066
Finished products	1,358	1,999
Trading inventories	1,459	1,118
	7,495	7,368

Inventories are stated after providing the allowance for inventories obsolescence as follows:

At 1 January	2,148	2,242
Currency realignment	(3)	84
Write back	(122)	(178)
At 31 December	2,023	2,148

Inventories of S$122,000 (2014: S$178,000) have been written back pursuant to their sale at above their carrying amount.

18. Work-in-progress

	Group	
	2015	2014
	S$'000	S$'000
Cost plus attributable profits	469	5,119
Progress billings	(387)	(4,549)
	82	570
Represented by:		
Work-in-progress (included in current assets)	111	625
Work-in-progress (included in current liabilities)	(29)	(55)

19. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Trade receivables	63,078	63,858	217	141
Less: Allowance on impairment loss	(41,067)	(38,512)	(36)	(36)
Net trade receivables	22,011	25,346	181	105
Other receivables	12,072	11,095	2,655	2,655
Less: Allowance on impairment loss	(6,651)	(6,419)	(2,655)	(2,655)
Net other receivables	5,421	4,676	–	–
Prepayments	570	732	27	3
Sundry deposits	292	2,058	–	–
Recoverable amounts	783	1,116	29	22
Receivable from sale of a subsidiary	–	298	–	–
Accrued revenue	3,451	7,305	–	–
	32,528	41,531	237	130

Trade receivables are non-interest bearing and are generally on 30 to 135 days (2014: 30 to 135 days) credit term.

In 2014, receivable from sale of a subsidiary amounting to S$298,000 arose from the Group's disposal of its shares in a subsidiary in 2011. During the financial year 2015, the Group has fully collected the amount.

Movement in the allowance on impairment of trade receivables are as follows:

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Balance at 1 January	38,512	36,752	36	36
Currency realignment	2,450	1,189	–	–
Allowance during the year	105	644	–	–
Write-back of allowance during the year	–	(73)	–	–
Balance at 31 December	41,067	38,512	36	36

19. Trade and other receivables (Continued)

Movement in the allowance on impairment of other receivables are as follows:

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Balance at 1 January	6,419	6,023	2,655	2,655
Currency realignment	232	396	–	–
Balance at 31 December	6,651	6,419	2,655	2,655

Net trade and other receivables are mainly denominated in the following currencies at the reporting date:

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	2,449	1,626	237	130
United States dollar	17,458	20,662	–	–
Chinese Renminbi	6,394	12,791	–	–
Hong Kong dollar	673	2,279	–	–
Euro	5,554	4,173	–	–
	32,528	41,531	237	130

20. Marketable securities

	Group	
	2015	2014
	S$'000	S$'000
Held for trading		
Quoted equity shares, at cost	14	14
Fair value adjustment	(11)	(10)
At fair value through profit or loss	3	4

The fair values of these securities are based on the closing quoted market prices on the last market day of the financial year.

The quoted equity shares are denominated in Malaysia Ringgit.

21. Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Cash and bank balances	9,727	7,168	49	43
Bank overdrafts (Note 28)	(422)	(855)	–	–
Cash and cash equivalents for statement of cash flows	9,305	6,313	49	43

Cash and bank balances are mainly denominated in the following currencies at the reporting date:

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	761	1,538	35	33
United States dollar	4,177	1,369	13	10
Euro	470	1,817	–	–
Chinese Renminbi	4,305	2,444	–	–
Others	14	–	1	–
	9,727	7,168	49	43

22. Share capital

	Group and Company			
	2015	2014	2015	2014
	No. of ordinary shares		S$'000	S$'000
	'000	'000		
Issued and fully paid:				
At 1 January	4,239,080	4,203,039	195,038	193,920
Share options exercised	–	10,000	–	350
Issued during the year	–	26,041	–	768
Share consolidation	(4,196,689)	–	–	–
At 31 December	42,391	4,239,080	195,038	195,038

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share without restrictions and have no par value at meetings of the Company.

On 4 June 2015, the Company undertook a share consolidation for every 100 existing issued ordinary shares in the capital of the Company held by shareholders into one consolidated share, at a book closure date to be determined by the directors. Fractional entitlements were disregarded.

22. Share capital (Continued)

During the financial year ended 31 December 2014, the Company issued 10,000,000 shares upon the exercise of 10,000,000 share options under the Acma Employee Share Option Scheme 2004 at exercise price of S$0.035 per share. The newly issued shares rank pari passu in all respects with the previously issued shares.

On 5 June 2014, the Company issued 26,041,000 ordinary shares pursuant to a Share Subscription Agreement entered into by the Company and a third party individual, for his services.

Employee share option scheme

The Group's and the Company's net asset value per share as at 31 December is as follows:

	Group		Company	
	2015	2014 (Restated)*	2015	2014 (Restated)*
Total equity excluding non-controlling interests (S$'000)	31,722	70,154	25,499	70,947
Total number of shares ('000)	42,391	42,391	42,391	42,391
Net asset value per share (cents)	75	165	60	169

Share options pursuant to the Acma Employee Share Option Scheme 2004 were approved by shareholders on 28 April 2004.

* After the completion of share consolidation on 4 June 2015, the net asset value per share for the corresponding period has been restated on the basis of the Company's share consolidation.

Movements in the number of share options during the year are as follows:

	Group and Company	
	2015	2014
	'000	'000
Balance at 1 January	152,225	162,225
Adjustments pursuant to share consolidation	(140,778)	–
Exercised during the year	–	(10,000)
Forfeited during the year	(10,025)	–
Balance at 31 December	1,422	152,225

On 9 June 2011 ("Date of Grant"), the Company granted options for 69,250,000 and 17,000,000 shares to the employees and directors of the Company respectively at an exercise price of S$0.035 per share. The options are exercisable at any time after the first anniversary of the Date of Grant up to the fifth anniversary of the Date of Grant.

On 16 August 2013 ("Date of Grant"), the Company granted options for 91,275,000 and 10,200,000 shares to the employees and the directors of the Company respectively, at an exercise price of S$0.034 per share. The options are exercisable at any time after the first anniversary of the Date of Grant up to the fifth anniversary of the Date of Grant.

As at 31 December 2015, there are outstanding options for 1,422,000 (2014: 152,225,000) shares under the Acma Employee Share Option Scheme 2004.

22. Share capital (Continued)

Options outstanding to subscribe for ordinary shares at the end of the financial year have the following terms:

Exercise period	Exercise price (S$)		No. of outstanding option	
	After share consolidation as at 4 June 2015	Before share consolidation as at 4 June 2015	2015	2014
9.6.2012 – 8.6.2016	3.50	0.035	476,500	50,750,000
16.8.2014 – 15.8.2018	3.40	0.034	945,500	101,475,000

The fair value of share options as at the date of grant was estimated by using a binomial model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used are shown below:

Options granted:	Options granted on	
	9 June 2011	16 August 2013
Expected volatility (%)	8.19	3.58
Risk-free interest rate (%)	1.08	1.10
Expected life of option (years)	4	5
Weighted average share price (cents)	2.5	3.2

The expected life of the options is based on the full vesting period and therefore not necessarily indicative of exercise patterns that may occur. The expected volatility, which is based on the past 5 years' daily closing prices prior to the date of grant, reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options were incorporated into the measurement of fair value. All share options are settled via the issue of ordinary shares.

On expiry of the share options, the related share options are transferred to general reserve and as of year-end, the total amount was S$290,000 (2014: S$290,000).

23. Warrant reserve

	Group and Company			
	2015	2014	2015	2014
	No. of warrants			
	'000	'000	S$'000	S$'000
Balance at 1 January	1,395,527	1,395,527	–	–
Share consolidation adjustment	(1,381,575)	–	–	–
Balance at 31 December	13,952	1,395,527	–	–

23. Warrant reserve (continued)

On 29 April 2008, the Company proposed a renounceable non-underwritten rights issue of up to 1,245,201,428 warrants at an issue price of S$0.015 for each warrant. Each warrant carrying the right to subscribe for one (1) new share at an exercise price of S$0.07 for each new share, on the basis of one (1) warrant for every two (2) existing ordinary shares in the capital of the Company held by shareholders of the Company as at 14 July 2008.

On 6 August 2008, a total of 809,001,675 warrants were subscribed and outstanding at 31 December 2008. Proceeds of S$12.14 million less expenses of S$0.34 million were credited to the warrant reserve.

On 8 July 2013, the Company issued and allotted 1,395,526,880 free bonus warrants. As at 31 December 2013, there were 1,395,526,880 warrants ("Warrants W160707"), with each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.035 for each new share, on the basis of one (1) warrant for three (3) existing ordinary shares in the capital of the Company on 3 July 2013. Warrants W160707 will expire on 7 July 2016.

There were no warrants exercised during the financial year 2014 and 2015.

24. Capital reserve

The capital reserve comprises statutory reserve which is computed based on 11% (2014: 11%) of the net profits of subsidiaries established in the People's Republic of China in accordance with local laws and regulations.

25. Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group, as well as from the translation of foreign currency loans which form part of the Group's net investments in foreign operations.

26. Finance lease payables

	Minimum lease payments 2015 S$'000	Present value of lease payments 2015 S$'000	Minimum lease payments 2014 S$'000	Present value of lease payments 2014 S$'000
Group				
Within one year	29	27	29	26
After one year but not more than five years	5	4	38	31
Total minimum finance lease payments	34	31	67	57
Less: Amounts representing finance charges	(3)	–	(10)	–
Present value of minimum finance lease payments	31	31	57	57

26. Finance lease payables (continued)

The finance lease term is 5 years (2014: 4 to 6 years).

The effective interest rates charged during the year was 3.71% (2014: 3.71%) per annum. Interest rates are fixed at contract dates and thus expose the Group to fair value interest rate risk. As at the end of the financial year, the fair values of the Group's and Company's finance lease obligations approximate their carrying amounts.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payment.

The Group and Company's present values of lease payments are denominated in Singapore dollars.

27. Provision

	Group	
	2015	2014
	S$'000	S$'000
At 1 January	1,500	–
Addition	290	1,500
Utilisation	(585)	–
At 31 December	1,205	1,500
Current	544	375
Non-current	661	1,125

The provision relates to an onerous non-cancellable lease contract of a factory in PRC which the Group has stopped using. The lease will expire in 2018. Part of the factory has been sublet to a third party, and the sublet agreement had expired on 31 December 2015. The changes in market conditions has meant that the rental income is lower than the rental expense. The obligation for the discounted future payments, net of expected rental income, has been provided for.

28. Bank borrowings

	Group	
	2015	2014
	S$'000	S$'000
Overdrafts (Note 21)	422	855
Trust receipts and bills payable	7,478	3,391
	7,900	4,246

The above borrowings are unsecured.

28. Bank borrowings (Continued)

Bank borrowings are denominated in the following currencies as at the reporting date:

	Group	
	2015	2014
	S$'000	S$'000
Singapore dollar	422	855
United States dollar	7,478	3,391
	7,900	4,246

Bank borrowings bear interest at rates ranging from 2.42% to 5.50% (2014: 3.30% to 5.50%) per annum.

Trust receipts and bills payable have maturities between 1 to 5 months (2014: 4 to 5 months).

29. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Trade payables	14,208	19,311	491	389
Deposits from customers	2,225	8,011	–	–
Other deposits	–	15	–	–
Accruals	3,483	3,113	185	202
Other tax payables	–	141	–	–
Other payables	1,406	1,658	71	19
	21,322	32,249	747	610

Trade payables are non-interest bearing and are generally settled within 30 to 90 days (2014: 30 to 90 days) credit terms.

Trade and other payables are denominated in the following currencies at the reporting date:

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	2,825	2,388	747	610
Chinese Renminbi	9,417	18,108	–	–
United States dollar	8,286	8,871	–	–
Euro	153	2,093	–	–
Hong Kong dollar	641	789	–	–
	21,322	32,249	747	610

30. Operating lease commitments

(a) As a lessee

The Group leases office and factory premises under lease agreements that are non-cancellable. The leases expire between 2016 and 2018 and contain provisions for rental adjustments.

Future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2015 S$'000	2014 S$'000
Within one year	1,249	1,959
After one year but not more than five years	1,564	2,435
	2,813	4,394

(b) As a lessor

The Group was committed to lease its office and factory premises and long-term operating lease, under the non-cancellable agreements for the period ranging from 1 year to 12 years.

Future minimum lease receivables under these non-cancellable leases are as follows:

	Group	
	2015 S$'000	2014 S$'000
Within one year	644	1,603
After one year but not more than five years	2,105	4,337
More than five years	5,752	14,765
	8,501	20,705

31. Contingent liabilities, unsecured

As at 31 December 2015, the Company has given guarantees amounting to S$13.7 million and US$4.0 million (2014: S$13.7 million and US$1.3 million) to certain banks and suppliers in respect of banking facilities and credit terms granted to the subsidiaries.

The Company has not recognised any liability in respect of the guarantees given to the banks for banking facilities granted to the subsidiaries as the Company's directors have assessed that it is not probable that the subsidiaries will default on repayment.

As at the end of the financial year, the total amount of loans outstanding covered by the guarantees is S$7.9 million (2014: S$4.2 million). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facility.

As at the end of the financial year, the Company had also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

32. Segment information

Reporting format

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. For each of the strategic business units, the management reviews internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

The management also considers the business from both the business and geographic segment perspective.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss. However, certain comparative figures have been reclassified to conform with the current financial year's presentation.

The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated on consolidation.

Business segments

The Tooling and Plastic Injection Moulding segment manufactures moulds mainly for the automotive and electronics industries, and produces plastic injected parts for the manufacturing sector.

The Communications, Electronics and Equipment Distribution segment is a diverse supplier of tele-communications, electronics and packaged air-conditioners. It offers products and services in distribution of packaged air-conditioners, and in supply of microwave tele-communications systems and electronic/computer related products.

The Investment segment relates to the investment holding activities of the Group.

The Others segment consists of the Group's non-core businesses.

Geographical segments

In the Group's geographical segmentation, revenue is segmented based on the locations of the customers in relation to the contractual transactions with the legal entities within the Group. Assets are segmented based on the location where they are situated in relation to the location of the legal entities within the Group.

32. Segment information (Continued)

(a) *Business segments*

The following table presents revenue and results information regarding the Group's business segments for the year ended 31 December 2015:

Group	Tooling and plastic injection moulding S$'000	Communications, electronics and equipment distribution S$'000	Investment S$'000	Others S$'000	Elimination S$'000	Notes	Consolidated S$'000
2015							
Revenue							
External customers	56,309	15,180	332	–	–		71,821
Inter-segment	10,764	–	–	–	(10,764)	A	–
Other revenue	203	130	533	–	–		866
Total revenue	67,276	15,310	865	–	(10,764)		72,687
Profit/(Loss) from operations	3,555	(1,019)	(413)	–	–		2,123
Depreciation of property, plant and equipment	(2,276)	(101)	(37)	–	–		(2,414)
Interest income	23	–	165	–	–		188
Finance costs	(314)	(44)	–	–	–		(358)
Amortisation of other assets	–	–	(105)	–	–		(105)
Allowance on impairment of doubtful receivables in associates	–	–	(61)	–	–		(61)
Impairment provisions	–	–	(37,152)	–	–		(37,152)
Share of results of associates	–	–	(177)	–	–		(177)
Profit/(Loss) before income tax	988	(1,164)	(37,780)	–	–		(37,956)
Income tax expense	(544)	(23)	–	–	–		(567)
Net profit/(loss) for the financial year	444	(1,187)	(37,780)	–	–		(38,523)

Note A: Intersegment revenues are eliminated on consolidation.

32. Segment information (Continued)

(a) *Business segments (Continued)*

The following table presents revenue and results information regarding the Group's business segments for the year ended 31 December 2014:

Group	Tooling and plastic injection moulding	Communications, electronics and equipment distribution *	Investment *	Others	Elimination	Notes	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000		S$'000
2014							
Revenue							
External customers	55,235	13,951	692	–	–		69,878
Inter-segment	8,140	–	–	–	(8,140)	A	-
Other revenue	695	56	232	–	–		983
Total revenue	64,070	14,007	924	–	(8,140)		70,861
Profit/(Loss) from operations	3,938	859	(1,578)	–	–		3,219
Depreciation of property, plant and equipment	(2,294)	(72)	(74)	–	–		(2,440)
Interest income	–	–	223	–	–		223
Finance costs	(292)	(37)	–	–	–		(329)
Amortisation of other assets	–	–	(105)	–	–		(105)
Impairment provisions	–	–	(32,675)	–	–		(32,675)
Share of results of associates	–	–	219	–	–		219
Profit/(loss) before income tax	1,352	750	(33,990)	–	–		(31,888)
Income tax expense	(122)	(118)	–	–	–		(240)
Net profit/(loss) for the financial year	1,230	632	(33,990)	–	–		(32,128)

** Certain comparative figures have been reclassified to conform to the current financial year's presentation.*

Note A: Intersegment revenues are eliminated on consolidation.

32. Segment information (Continued)

(a) Business segments (Continued)

The following table presents assets and liabilities regarding the Group's business segments as at 31 December 2015:

Group	Tooling and plastic injection moulding	Communications, electronics and equipment distribution	Investment	Others	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000
2015					
Total assets before elimination	50,586	9,380	7,775	–	67,741
Elimination	(1,876)	–	(697)	–	(2,573)
Segment assets	48,710	9,380	7,078	–	65,168
Investments in associates	–	–	128	–	128
Total assets	48,710	9,380	7,206	–	65,296
Total liabilities	(25,165)	(2,976)	(2,903)	–	(31,044)
Net assets	23,545	6,404	4,303	–	34,252
Capital expenditure – tangible assets	845	59	13	–	917
Other material non-cash items:					
Loss on disposal of property, plant and equipment	1	–	–	–	1
Amortisation of long-term operating lease	–	–	562	–	562
Amortisation of other assets	–	–	105	–	105
Allowance for impairment of doubtful receivables	105	–	–	–	105
Depreciation of property, plant and equipment	2,276	101	37	–	2,414
Allowance on impairment loss on other investment	–	–	467	–	467
Impairment provision	–	–	36,519	–	36,519
Provision for onerous contract	290	–	–	–	290

32. Segment information (Continued)

(a) Business segments (Continued)

The following table presents assets and liabilities regarding the Group's business segments as at 31 December 2014:

Group	Tooling and plastic injection moulding	Communications, electronics and equipment distribution *	Investment *	Others	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000
2014					
Total assets before elimination	56,976	8,616	10,467	11	76,070
Eliminations	(1,536)	–	(724)	–	(2,260)
Segment assets	55,440	8,616	9,743	11	73,810
Investments in associates	–	–	36,824	–	36,824
Total assets	55,440	8,616	46,567	11	110,634
Total liabilities	(34,770)	(2,290)	(1,155)	(28)	(38,243)
Net assets	20,670	6,326	45,412	(17)	72,391
Capital expenditure – tangible assets	1,043	75	19	–	1,137
Other material non-cash items:					
Amortisation of long-term operating lease	–	–	517	–	517
Amortisation of other assets	–	–	105	–	105
Write-back of allowance on impairment of doubtful receivables	(73)	–	–	–	(73)
Allowance for impairment of doubtful receivables	644	–	–	–	644
Depreciation of property, plant and equipment	2,314	84	42	–	2,440
Allowance on impairment loss on other investment	–	–	2,548	–	2,548
Impairment of an associated company	–	–	29,483	–	29,483
Provision for onerous contract	1,500	–	–	–	1,500

*Note: * Certain comparative figures have been reclassified to conform to the current financial year's presentation.*

32. Segment information (Continued)

(b) *Geographical segments*

The following table presents revenue and certain asset information regarding the Group's geographical segments for the financial years ended 31 December 2015 and 2014:

	China (including Hong Kong)		Singapore		Europe (including UK)		Rest of Asia		North America and others		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group												
Revenue												
External customers	21,381	19,684	5,908	3,912	23,344	24,330	9,698	8,836	11,490	13,116	71,821	69,878
Other revenue	539	675	327	308	–	–	–	–	–	–	866	983
Total revenue	21,920	20,359	6,235	4,220	23,344	24,330	9,698	8,836	11,490	13,116	72,687	70,861
Other geographical information:												
Segment assets	43,571	51,129	21,597	22,681	–	–	–	–	–	–	65,168	73,810
Investments in associates	–	–	128	36,824	–	–	–	–	–	–	128	36,824
Total assets	43,571	51,129	21,725	59,505	–	–	–	–	–	–	65,296	110,634
Total liabilities	(13,552)	(22,876)	(17,492)	(15,367)	–	–	–	–	–	–	(31,044)	(38,243)
Net assets	30,019	28,253	4,233	44,138	–	–	–	–	–	–	34,252	72,391
Non-current assets	11,263	10,868	1,596	40,810	–	–	–	–	–	–	12,859	51,678

33. Financial instruments and financial risks

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Trade and other receivables (excluding prepayments)	31,958	40,799	210	127
Amounts owing by subsidiaries	–	–	37,267	45,149
Amounts owing by associates	2,573	2,260	753	724
Cash and bank balances	9,727	7,168	49	43
Loan and receivables	44,258	50,227	38,279	46,043
Marketable securities	3	4	–	–
Fair value through profit or loss	3	4	–	–
Financial liabilities				
Finance lease payables	31	57	–	–
Bank borrowings	7,900	4,246	–	–
Trade and other payables	21,322	32,249	747	610
Amounts owing to subsidiaries	–	–	33,066	31,046
Financial liabilities at amortised cost	29,253	36,552	33,813	31,656

The main risk arising from the Group's financial instruments are liquidity risk, foreign currency risk and credit risk. The management reviews and agrees policies for managing each of these risks and they are summarised below.

The Group faces exposure to market risk, in particular, changes in foreign currency exchange rates and credit risk arising in the normal course of the Group's businesses. The following sets out the risk management policies and procedures to identify, monitor and control these risks.

The Group has put in place a set of risk management policies and guidelines governing all investment and business risks. These policies and procedures set out the Group's overall business strategies, its tolerance for risk and general risk management philosophy. In addition, management has established processes to monitor and control such risks in a timely and effective manner. Where necessary, the Group may enter into transactions to hedge against these risks in order to keep them at an acceptable level. Finally, all major investment and divestment decisions are required to be approved by the Board of Directors.

33. Financial instruments and financial risks (Continued)

Liquidity risk

Liquidity risk refers to the risk in which the Group is unable to meet its short-term obligations. Liquidity risk is managed by matching the payments and receipts cycle.

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The Group prepares cash flows projections on a regular basis for its core operations to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group's operations are financed mainly through trade financing and internal funds. In addition, the Group has access to lines of credit from financial institutions, and within the Group companies, where necessary, as follows:

	2015 S$'000	2014 S$'000
Unutilised credit facilities		
- bank overdraft facilities	1,078	645
- trade facilities	4,622	8,709

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations:

	2015				2014			
	Effective interest rate	One year or less	Two to five years	Total	Effective interest rate	One year or less	Two to five years	Total
Group	%	S$'000	S$'000	S$'000	%	S$'000	S$'000	S$'000
Financial asset								
Trade and other receivables (excluding prepayments)	–	31,958	–	31,958	–	40,799	–	40,799
Cash and bank balances	0.05-0.50	9,727	–	9,727	0.05-0.50	7,168	–	7,168
Total financial assets		41,685	–	41,685		47,967	–	47,967
Financial liabilities								
Finance lease payables	3.71	29	5	34	3.71	29	37	66
Bank borrowings	2.42-5.50	7,900	–	7,900	3.30-5.50	4,480	–	4,480
Trade and other payables	–	21,322	–	21,322	–	32,249	–	32,249
Total undiscounted financial liabilities		29,251	5	29,256		36,758	37	36,795

33. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	2015				2014			
	Effective interest rate	One year or less	Two to five years	Total	Effective interest rate	One year or less	Two to five years	Total
Company	%	S$'000	S$'000	S$'000	%	S$'000	S$'000	S$'000
Financial asset								
Trade and other receivables (excluding prepayments)	–	210	–	210	–	127	–	127
Cash and cash balances	–	49	–	49	–	43	–	43
Total financial assets		259	–	259		170	–	170
Financial liabilities								
Trade and other payables	–	747	–	747	–	610	–	610
Amounts owing to subsidiaries	–	33,066	–	33,066	–	31,046	–	31,046
Total undiscounted financial liabilities		33,813	–	33,813		31,656	–	31,656

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counter-party to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group has established credit limits for each customer under which these customers are analysed for credit worthiness before the Group's standard payment, and delivery terms are offered. The Group's reviews include external ratings, where available and in some cases bank references. Customers that fail to meet the Group's benchmark are only allowed to transact with the Group on a pre-payment or cash basis. Most of the customers have been with the Group for many years and losses have occurred infrequently. In most cases, the Group does not require collateral in respect of trade and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Group has concentrations of credit risk to certain customers. The five largest customers of the Group accounted for approximately 28% (2014: 26%) of the Group's revenue for the year ended 31 December 2015. The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

At 31 December 2015, 27% (2014: 17%) of the Group's trade receivables was due from 5 (2014: 5) major customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Cash is placed with financial institutions with good credit ratings.

33. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The credit risk for trade receivables based on the information provided by key management is as follows:

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
By geographical areas				
Singapore	1,574	1,043	181	105
China (including Hong Kong)	3,973	8,209	–	–
South Asia	846	1,075	–	–
North America	7,571	9,201	–	–
Europe	6,344	4,121	–	–
Other countries	1,703	1,697	–	–
	22,011	25,346	181	105

The aged analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Past due less than 3 months	9,682	6,097	86	37
Past due 3 to 6 months	2,743	2,766	–	–
Past due over 6 months	2,287	6,644	–	–
	14,712	15,507	86	37

The management believes that no impairment allowance is necessary in respect of those trade and other receivables that are past due but not impaired. They are substantially companies with good track record and no recent history of default.

The Company provides unsecured financial guarantees to licensed banks in respect of credit facilities granted to subsidiaries. The Company monitors on an ongoing basis the trend of repayments made by the subsidiaries. The maximum exposure to credit risk amounts to S$7,900,000 (2014: S$4,246,000) representing the outstanding balance of credit facilities of subsidiaries in which financial guarantees are given as of the end of the reporting date. At the reporting date, there was no indication that the subsidiaries would default on repayment.

Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. Except for foreign currency forward contracts used to hedge against foreign currency risk, the Group did not enter into derivative financial instruments to hedge against foreign currency risk and interest rate risk.

33. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency risk

The Group is exposed to foreign exchange risk on sales, purchases, trade and other receivables, cash and cash equivalents, trade and other payables, and borrowings that are denominated in currencies other than the functional currencies of the respective entities in the Group. The currencies giving rise to this risk are primarily the United States dollar ("USD"), Euro ("EUR") and Chinese Renminbi ("RMB").

The Group uses forward exchange contracts to hedge against its foreign currency risk arising from trade transactions during the year. As at 31 December 2015, no foreign currency forward contracts were recognised as the amount is not significant.

The Group's exposures to foreign currency are as follows:

	2015			2014		
	USD	RMB	EUR	USD	RMB	EUR
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Monetary assets:						
Trade and other receivables	13,928	379	5,248	15,530	343	4,174
Cash and bank balances	4,081	634	470	956	700	1,131
	18,009	1,013	5,718	16,486	1,043	5,305
Monetary liabilities:						
Trade and other payables	(8,235)	(539)	(121)	(8,825)	(1,684)	(2,093)
Bank borrowings	(6,483)	–	–	(3,391)	–	–
	(14,718)	(539)	(121)	(12,216)	(1,684)	(2,093)
Net monetary assets/ (liabilities)	3,291	474	5,597	4,270	(641)	3,212

Foreign currency sensitivity analysis

At 31 December 2015, it is estimated that a five percentage point weakening of foreign currencies against the functional currency, with all variables held constant, would increase the Group's post-tax loss by approximately S$380,000 (2014: S$45,000). A five percentage point strengthening of foreign currencies against the functional currency, with all variables held constant, would have an equal but opposite effect. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible changes in foreign exchange rate.

33. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis (Continued)

A 5% strengthening of functional currency against the following currencies at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or (loss) S$'000
31 December 2015	
USD	(123)
RMB	(20)
EUR	(231)
31 December 2014	
USD	62
RMB	27
EUR	(132)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk relates to interest bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

At the reporting date, the Group and the Company do not have significant exposure to interest rate risk.

34. Fair value of assets and liabilities

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

(a) Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).

(b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.

34. Fair value of assets and liabilities (Continued)

(c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The management assessed that cash and cash equivalents, trade and other receivables (excluding prepayments), amounts owing by subsidiaries and associates, bank borrowings, trade and other payables and amounts owing to subsidiaries approximate their carrying amounts largely due to the short-term maturities of these instruments.

35. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from 2014.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings and trade and other payables, less cash and bank balances. Total capital is calculated as total equity including non-controlling interests, as shown in the statement of financial position, plus net debt.

The gearing ratio is as follows at the reporting date:

	Group	
	2015	2014
	S$'000	S$'000
Total borrowings and trade and other payables	29,222	36,495
Less: cash and bank balances (Note 21)	(9,727)	(7,168)
Net debt	19,495	29,327
Total equity	34,252	72,391
Total capital	53,747	101,718
Gearing ratio	36.3%	28.8%

The Company is not subject to externally imposed capital requirements for the financial years ended 31 December 2014 and 2015 except as disclosed in Note 24 to the consolidated financial statements. PRC subsidiaries are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. The Group is in compliance with the externally imposed requirement for the financial years ended 31 December 2014 and 2015.

36. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Associates are related parties and include those that are associates of the holding and/or related companies.

Many of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, other than those disclosed elsewhere in the financial statements, the Group had the following significant transactions with related parties on terms agreed between the parties as follows:

	Group	
	2015	2014
	S$'000	S$'000
Sales of goods and services to Neftech Pte. Ltd. *	–	14
Rental income from Neftech Pte. Ltd. *	25	24
Interest income from Xenon Manufacturing Pte Ltd **	226	210

* Neftech Pte. Ltd. is a 48.9% owned associate of the Group. Mr Quek Sim Pin and Mr Victor Levin, who are the Executive Chairman and Non-Executive Director of the Company respectively, are substantial shareholders of Neftech Pte. Ltd.. Mr Victor Levin is a director and Executive Chairman of Neftech Pte. Ltd.

** Xenon Manufacturing Pte Ltd is a 40% owned associate of the Group.

36. Significant related party transactions (Continued)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel remuneration

	Group		Company	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Short-term benefits	1,914	1,990	413	333
Post-employment benefits	48	48	6	5
	1,962	2,038	419	338

STATISTICS OF SHAREHOLDERS
As at 21 March 2016

Number of shares issued : 42,390,822
Class of Shares : Ordinary Shares

Analysis of Shareholders

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shareholders	% of Shares
1 - 99	3,561	40.64	108,956	0.25
1,00 - 1,000	3,596	41.04	1,478,785	3.49
1,001 - 10,000	1,360	15.52	4,455,119	10.51
10,001 - 1,000,000	237	2.71	11,452,812	27.02
1,000,001 & above	8	0.09	24,895,150	58.73
Total	8,762	100.00	42,390,822	100.00

Top Twenty Shareholders

Name of Shareholders	No. of Shares	% of Issued Share Capital
UOB NOMINEES (2006) PTE LTD	5,674,535	13.39
ALLINGHAM INVESTMENTS LIMITED	4,554,455	10.74
SING INVEST & FIN NOMINEES PL	4,550,450	10.73
VICTOR LEVIN	2,682,673	6.33
MAYBANK NOMINEES (S) PTE LTD	2,136,570	5.04
UNITED OVERSEAS BANK NOMINEES	2,059,760	4.86
CHEW HUA SENG	1,886,167	4.45
BNP PARIBAS NOMS S'PORE PL	1,350,540	3.19
OCBC SECURITIES PRIVATE LTD	670,433	1.58
OEI SIU HOA	618,570	1.46
DBS NOMINEES PTE LTD	608,822	1.44
MAYBANK KIM ENG SECS PTE LTD	488,704	1.15
GOH GEOK KHIM	400,001	0.94
YEO CHEOW TONG	387,261	0.91
CHUA HEE TECK	370,000	0.87
JOSCA WOO KONG HWA	360,000	0.85
LIM & TAN SECURITIES PTE LTD	354,733	0.84
LIM HOW TECK	284,482	0.67
CIMB SEC (S'PORE) PTE LTD	260,938	0.62
OCBC NOMINEES SINGAPORE	225,541	0.53
	29,924,635	70.59

Substantial Shareholders

Name of Substantial Shareholder	Direct Interest	Deemed Interest	Total	%
QUEK SIM PIN	28,129	7,213,104	7,241,233	17.08 [1]
VICTOR LEVIN	2,682,673	4,554,455	7,237,128	17.07 [2]
ALLINGHAM INVESTMENTS LIMITED	4,554,455	-	4,554,455	10.74
CHEW HUA SENG	1,886,167	4,617,870	6,504,037	15.34 [3]

Notes:

[1] Quek Sim Pin is deemed interested in 5,816,767 Acma shares held by his various nominee accounts and 1,396,337 Acma shares through his ownership of S.P. Quek Investments Pte Ltd.

[2] Victor Levin is deemed interested in 4,554,455 Acma shares through his ownership of Allingham Investments Limited.

[3] Chew Hua Seng is deemed interested in 4,617,870 Acma shares held by his nominees.

Shareholdings Held in the Hands of Public

Based on information available to the Company as at 21 March 2016, 50.5% of the issued ordinary shares of the Company was held by the public and therefore Rule 723 of the Listing Manual's complied with.

STATISTICS OF WARRANTHOLDERS
As at 21 March 2016

Analysis of Warrantholders

Size of Warrantholders	Number of Warrantholders	% of Warrantholders	No. of Warrantholders	% of Warrants
1 - 99	5,320	65.10	130,585	0.94
1,00 - 1,000	2,419	29.60	753,245	5.40
1,001 - 10,000	379	4.64	1,129,231	8.09
10,001 - 1,000,000	51	0.62	5,606,910	40.19
1,000,001 & above	3	0.04	6,332,299	45.38
Total	8,172	100.00	13,952,270	100.00

Top Twenty Warrantholders

Name of Warrantholders	No. of Warrants	% of Warrants
CHEW HUA SENG	2,447,702	17.54
DORIS CHUNG GIM LIAN	2,041,779	14.63
ALLINGHAM INVESTMENTS LIMITED	1,842,818	13.21
VICTOR LEVIN	894,224	6.41
FOK CHEE CHEONG	793,080	5.68
UNITED OVERSEAS BANK NOMINEES	698,346	5.01
GOODVIEW PROPERTIES PTE LTD	450,000	3.23
OCBC SECURITIES PRIVATE LTD	343,204	2.46
POLYAKOV MIKHAIL	333,333	2.39
OEI SIU HOA	206,190	1.48
CIMB SEC (S'PORE) PTE LTD	148,160	1.06
LIM & TAN SECURITIES PTE LTD	138,303	0.99
GOH GEOK KHIM	133,333	0.96
YEO CHEOW TONG	129,087	0.93
DBS NOMINEES PTE LTD	124,665	0.89
JOSCA WOO KONG HWA	120,000	0.86
NG TIE JIN	112,770	0.81
CHENG WA SING	99,334	0.71
OCBC NOMINEES SINGAPORE	55,085	0.39
TENGKU SINANNAGA @ CHENG	50,000	0.36
	11,161,413	80.00

NOTICE OF ANNUAL GENERAL MEETING
As at 21 March 2016

NOTICE IS HEREBY GIVEN that the Fifty-First Annual General Meeting of **ACMA Ltd.** (the "**Company**") will be held on Thursday, 28 April 2016 at 9.00 a.m. at 17 Jurong Port Road, Singapore 619092, to transact the following businesses: -

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the financial year ended 31 December 2015 together with the Auditors' Report thereon. **[Resolution 1]**

2. To approve the proposed Directors' fee of S$114,000/- for the financial year ended 31 December 2015. [2014: S$113,000/-] **[Resolution 2]**

3. To re-elect Mr Victor Levin, a Director retiring pursuant to Article 93 of the Company's Constitution. **[Resolution 3]**

4. To re-elect Mr Tan Keng Lin, a Director retiring pursuant to Article 93 of the Company's Constitution. **[Resolution 4]**

5. To re-appoint Messrs Mazars LLP, as the Company's Auditors and to authorise the Directors to fix their remuneration. **[Resolution 5]**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without any modifications:-

7. Authority to allot and issue shares up to fifty per cent (50%) of issued share capital

   "THAT pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorized to issue and allot new shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total issued shares of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total issued shares of the Company, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the Company's next Annual General Meeting is required by law or by the Constitution of the Company to be held, whichever is the earlier." **[Resolution 6]**
   [See Explanatory Note on Special Business (i)]

8. Authority to grant options and issue shares under the Acma Employees' Share Option Scheme 2014

   "THAT pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the Acma Employees' Share Option Scheme 2014 ("the Scheme") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total issued shares of the Company from time to time." **[Resolution 7]**
   [See Explanatory Note on Special Business (ii)]

NOTICE OF ANNUAL GENERAL MEETING
As at 21 March 2016

BY ORDER OF THE BOARD

Keloth Raj Kumar (Mr)
Company Secretary

Singapore,
12 April 2016

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
2. A proxy need not be a Member of the Company.
3. Members wishing to vote by proxy/proxies at the meeting may use the proxy form enclosed. The completed proxy form must be deposited at the Registered Office of the Company at 17 Jurong Port Road, Singapore 619092 not less than 48 hours before the time appointed for the Meeting.

Note to item no. 3
Mr Victor Levin is a Non-Executive Director. He will continue in the said capacity upon re-election as a Director of the Company.

Note to item no. 4
Mr Tan Keng Lin is an Independent Director and a member of the Audit, Remuneration and Nominating Committees. He will continue in the said capacities upon re-election as a Director of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

(i) In the proposed **Resolution 6**, the percentage of issued share capital is calculated based on the issued shares at the time of the passing of the resolution approving the mandate after adjusting for:- (a) new shares arising from the conversion or exercise of convertible securities; (b) new shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate; and (c) any subsequent bonus issue, consolidation or subdivision of shares. The proposed Resolution 6, if passed, will empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue new shares in the Company (whether by way of rights, bonus or otherwise).

The number of shares which the Directors may issue under this Resolution shall not exceed fifty per cent (50%) of the total issued shares of the Company. For issue of shares other than on a pro-rata basis to all existing shareholders of the Company, the aggregate number of shares and convertible securities to be issued shall not exceed twenty per cent (20%) of the total issued shares of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

(ii) The proposed **Resolution 7**, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares up to an amount in aggregate not exceeding fifteen per cent (15%) of the total issued shares of the Company from time to time pursuant to the exercise of the options under the Scheme.

PROXY FORM

ACMA LTD.

(Incorporated in the Republic of Singapore)
Company Registration No. 196500233E

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy ACMA Ltd.'s shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF investors should contact their respective agent banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

I/We ____(Name) NIRC/Passport no.____________________________________

of ____

being a *member/members of ACMA Ltd., hereby appoint

Name	Address	NRIC / Passport No.	Proportions of Shareholding (%)
and/or (delete as appropriate)			

as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 28 April 2016 at 9.00 a.m. at 17 Jurong Port Road, Singapore 619092 and at any adjournment thereof.

The proxy is required to vote as indicated with an "✓" on the resolutions set out in the Notice of Meeting and summarised below. If no specific direction as to voting is given, the proxy/proxies may vote or abstain at his/her/their discretion.

No.	Resolution	For	Against
1.	To receive and adopt the Directors' Report and Audited Accounts of the Company for the financial year ended 31 December 2015 together with the Auditors' Report thereon.		
2.	To approve the proposed Directors' fee of S$114,000/- for the financial year ended 31 December 2015. [2014: S$113,000/-]		
3.	To re-elect Mr Victor Levin, a Director retiring pursuant to Article 93 of the Company's Constitution.		
4.	To re-elect Mr Tan Keng Lin, a Director retiring pursuant to Article 93 of the Company's Constitution.		
5.	To re-appoint Messrs Mazars LLP, as the Company's Auditors and to authorise the Directors to fix their remuneration.		
6.	Authority to allot and issue shares up to fifty per cent (50%) of issued share capital.		
7.	Authority to issue shares under the Acma Employees' Share Option Scheme 2014.		

* Delete accordingly
** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant Resolution, please insert the relevant number of Shares in the boxes provided

Signed this _______ day of __________________ 2016

Total No.of Shares in:	No. of Shares
1) CDP Register	
2) Register of Members	

____
Signature(s) of Member(s)/Common Seal

Notes:

a) If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

b) (1) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(2) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

c) A proxy need not be a member of the Company.

d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor is a corporation under its common seal or under the hand of its attorney.

e) Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

f) The appointment of a proxy or proxies by this instrument shall not preclude a member from attending and voting in person at the Meeting. If a member attends the Meeting in person the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the Meeting.

g) An instrument appointing a proxy must be deposited at the registered office of the Company 17 Jurong Port Road, Singapore 619092 not less than 48 hours before the time appointed for holding the meeting.

h) The Company shall be entitled to reject this instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting.

Acma Ltd.
17 Jurong Port Road Singapore 619092