



**Unaudited Quarterly Financial Statements And Related Announcement
for the Financial Period Ended 30 June 2019**

**PART 1- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4),
HALF-YEAR AND FULL YEAR RESULTS**

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

| | Group | | | Group | | |
|--|---------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
| | 2nd Quarter Ended 30 June | | | 6 Months Ended 30 June | | |
| | 2019 | 2018 | Incr/ (Decr) | 2019 | 2018 | Incr/ (Decr) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | | | | | | |
| Revenue | 19,227 | 18,126 | 6.1 | 42,928 | 48,096 | (10.7) |
| Other revenue | 127 | 174 | (27.0) | 228 | 285 | (20.0) |
| Total revenue | 19,354 | 18,300 | 5.8 | 43,156 | 48,381 | (10.8) |
| Costs and expenses | | | | | | |
| Raw materials and consumables used | (12,614) | (10,617) | 18.8 | (29,024) | (31,104) | (6.7) |
| Employee benefits expense | (4,346) | (4,410) | (1.5) | (8,822) | (9,150) | (3.6) |
| Finance costs | (250) | (237) | 5.5 | (552) | (460) | 20.0 |
| Depreciation of property, plant and equipment | (538) | (635) | (15.3) | (1,114) | (1,238) | (10.0) |
| Other operating expenses | (3,840) | (2,736) | 40.4 | (7,765) | (7,459) | 4.4 |
| Total costs and expenses | (21,588) | (18,635) | 15.8 | (47,297) | (49,411) | (4.3) |
| Loss from operations | (2,234) | (335) | <100 | (4,141) | (1,030) | <100 |
| Share of results of associates | - | - | - | - | - | - |
| Loss before income tax | (2,234) | (335) | <100 | (4,141) | (1,030) | <100 |
| Income tax expense | (66) | (22) | <100 | (147) | (18) | <100 |
| Loss for the period | (2,300) | (357) | <100 | (4,288) | (1,048) | <100 |
| Other comprehensive (loss)/profit: | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | | | |
| Exchange difference on translating foreign operations | (201) | (33) | <100 | (56) | (328) | (82.9) |
| Other comprehensive loss for the period | (201) | (33) | <100 | (56) | (328) | (82.9) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (2,501) | (390) | <100 | (4,344) | (1,376) | <100 |
| Loss attributable to: | | | | | | |
| Owners of the Company | (1,878) | (350) | <100 | (3,474) | (580) | <100 |
| Non-controlling interests | (422) | (7) | <100 | (814) | (468) | 74.0 |
| | (2,300) | (357) | <100 | (4,288) | (1,048) | <100 |
| Total comprehensive loss attributable to: | | | | | | |
| Owners of the Company | (2,079) | (383) | <100 | (3,530) | (908) | <100 |
| Non-controlling interests | (422) | (7) | <100 | (814) | (468) | 73.9 |
| | (2,501) | (390) | <100 | (4,344) | (1,376) | <100 |


ACMA LTD

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

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

| | GROUP | GROUP | COMPANY | COMPANY |
|--|--------------------|----------------------------------|-------------------|----------------------------------|
| | 30 Jun 2019 | 31 Dec 2018 (Audited) | 30.06.2019 | 31 Dec 2018 (Audited) |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Non-current Assets | | | | |
| Property, plant and equipment | 10,705 | 11,537 | 258 | 282 |
| Investments in subsidiaries | - | - | 20,174 | 20,174 |
| Other investments | 1,323 | 1,429 | - | - |
| Intangible assets | 3,039 | 3,063 | - | - |
| Other assets | 1,119 | 1,307 | 833 | 885 |
| Total non-current assets | 16,186 | 17,336 | 21,265 | 21,341 |
| Current Assets | | | | |
| Inventories | 15,589 | 17,124 | - | - |
| Trade and other receivables | 32,848 | 33,882 | 86 | 66 |
| Amounts owing by subsidiaries | - | - | 24,273 | 24,836 |
| Cash and bank balances | 5,033 | 6,887 | 35 | 41 |
| Total current assets | 53,470 | 57,893 | 24,394 | 24,943 |
| TOTAL ASSETS | 69,656 | 75,229 | 45,659 | 46,284 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 195,039 | 195,039 | 195,039 | 195,039 |
| Capital reserve | 3,732 | 3,732 | - | - |
| Share options reserve | 88 | 88 | 88 | 88 |
| Accumulated losses | (179,519) | (176,045) | (174,990) | (173,565) |
| Foreign currency translation reserve | 1,973 | 2,029 | - | - |
| Equity attributable to owners of the parent | 21,313 | 24,843 | 20,137 | 21,562 |
| Non-controlling Interests | 3,131 | 4,049 | - | - |
| Total Equity | 24,444 | 28,892 | 20,137 | 21,562 |
| Non-current Liabilities | | | | |
| Finance lease payables | 1,438 | 1,481 | 113 | 130 |
| Deferred tax liabilities | 418 | 444 | - | - |
| Total non-current liabilities | 1,856 | 1,925 | 113 | 130 |
| Current Liabilities | | | | |
| Contract liabilities from contracts with customers | 7,689 | 6,027 | - | - |
| Finance lease payables | 324 | 616 | 28 | 23 |
| Bank borrowings | 11,520 | 14,124 | - | - |
| Trade and other payables | 23,599 | 23,385 | 714 | 858 |
| Derivative financial instrument | - | 1 | - | - |
| Amounts owing to subsidiaries | - | - | 24,667 | 23,711 |
| Income tax payables | 224 | 259 | - | - |
| Total current liabilities | 43,356 | 44,412 | 25,409 | 24,592 |
| Total Liabilities | 45,212 | 46,337 | 25,522 | 24,722 |
| TOTAL EQUITY AND LIABILITIES | 69,656 | 75,229 | 45,659 | 46,284 |



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Notes to the Financial Statements

A. Other Operating Expenses

Other Operating Expenses include the following charges/(credits) :-

| | Group | | | Group | | |
|--|---------------------------|---------|-------------|------------------------|---------|-------------|
| | 2nd Quarter Ended 30 June | | | 6 Months Ended 30 June | | |
| | 2019 | 2018 | Incr/(Decr) | 2019 | 2018 | Incr/(Decr) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Amortisation of intangible assets | 13 | 13 | - | 26 | 25 | 4.0 |
| Amortisation of long term operating lease | 139 | 136 | 2.2 | 276 | 270 | 2.2 |
| Amortisation of other assets | 98 | 123 | (20.3) | 208 | 299 | (30.4) |
| Amortisation on provision for onerous contract | - | (101) | (100.0) | - | (201) | (100.0) |
| Loss on disposal of property, plant and equipment | - | - | - | - | 18 | (100.0) |
| Gain on fair value revaluation of derivative instruments | (1) | (16) | (93.8) | (1) | (16) | (93.8) |
| Foreign exchange gain | (214) | (602) | (64.5) | (23) | (74) | (68.9) |
| Write-off of property, plant & equipment | - | - | - | 6 | - | N/M |
| Write-back of impairment loss of long-term operating lease | (92) | (90) | 2.2 | (182) | (178) | 2.2 |

N/M - not meaningful

B. Income Tax

| | Group | | | Group | | |
|---|---------------------------|---------|-------------|------------------------|---------|-------------|
| | 2nd Quarter Ended 30 June | | | 6 Months Ended 30 June | | |
| | 2019 | 2018 | Incr/(Decr) | 2019 | 2018 | Incr/(Decr) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Charge for the period - Payable/(Recoverable) | 66 | 22 | <100 | 147 | 18 | <100 |

1 (b) (ii) Aggregate Amount of Group's borrowings and Debt Securities.

Amount Repayable :-

| | 31 March 2019 | | 31 December 2018 (Audited) | |
|--|---------------|---------------|-------------------------------|---------------|
| | Secured | Unsecured | Secured | Unsecured |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| (1) In One Year or Less, or On Demand :- | 1,485 | 10,359 | 1,787 | 12,953 |
| (2) After One Year :- | 1,438 | - | 1,481 | - |
| Total Borrowings | 2,923 | 10,359 | 3,268 | 12,953 |
| Comprising:- | | | | |
| Finance Leases | 1,762 | - | 2,097 | - |
| Bank Borrowings | 1,161 | 10,359 | 1,171 | 12,953 |
| | 2,923 | 10,359 | 3,268 | 12,953 |

Details of Any Collateral:

Finance lease payables amounting to S\$1,762,000 (31 December 2018: S\$2,097,000) are secured on certain of the Group's property, plant and equipment with net book value of S\$3,087,000 (31 December 2018: S\$3,255,000).

Bank borrowings amounting to S\$1,161,000 as at 30 June 2019 (31 December 2018: S\$1,171,000) are secured by a legal charge for value up to S\$2,461,000 on one of the Group's leasehold property with net book value of S\$2,372,000.


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

| | Group | | Group | |
|--|----------------------------------|----------------|-------------------------------|----------------|
| | 2nd Quarter Ended 30 June | | 6 Months Ended 30 June | |
| | 2019 | 2018 | 2019 | 2018 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| OPERATING ACTIVITIES | | | | |
| Loss before income tax | (2,234) | (335) | (4,141) | (1,030) |
| <i>Adjustments for :-</i> | | | | |
| Depreciation of property, plant and equipment | 538 | 635 | 1,114 | 1,238 |
| Amortisation of long-term operating lease | 139 | 136 | 276 | 270 |
| Amortisation of other assets | 98 | 123 | 208 | 299 |
| Amortisation on provision for onerous contract | - | (101) | - | (201) |
| Amortisation of intangible asset | 13 | 13 | 26 | 25 |
| Loss on disposal of property, plant and equipment | - | - | - | 18 |
| (Gain)/Loss on fair value revaluation of derivative instruments | (1) | (16) | (1) | (16) |
| Interest income | 2 | (7) | (9) | (9) |
| Interest expense | 250 | 237 | 552 | 460 |
| Unrealised foreign exchange differences | (49) | (287) | 51 | (274) |
| Write-off of property, plant and equipment | - | - | 6 | - |
| Write-back of impairment loss of long-term operating lease | (92) | (90) | (182) | (178) |
| Total operating cash (outflow)/inflow before movements in working capital | (1,336) | 308 | (2,100) | 602 |
| <i>Changes in working capital:</i> | | | | |
| Trade and other receivables | 2,863 | (2,723) | 1,034 | 3,556 |
| Inventories and work-in-progress | (1,299) | (4,026) | 1,535 | (531) |
| Contract liabilities from contracts with customers | 1,762 | - | 1,862 | - |
| Trade and other payables | 212 | 6,701 | 214 | (3,303) |
| Cash generated from operations | 2,202 | 260 | 2,345 | 324 |
| Income taxes paid | (85) | 60 | (209) | (556) |
| Net cash flow generated from/(used in) operating activities | 2,117 | 320 | 2,136 | (232) |
| INVESTING ACTIVITIES | | | | |
| Interest received | (2) | 7 | 9 | 9 |
| Increase in long-term deposits and prepayments | (18) | (79) | (37) | (94) |
| Purchase of property, plant and equipment | (343) | (595) | (366) | (660) |
| Proceeds from disposal of plant and equipment | - | - | - | 26 |
| Net cash flow used in investing activities | (363) | (667) | (394) | (919) |
| FINANCING ACTIVITIES | | | | |
| Interest paid | (261) | (237) | (552) | (460) |
| Proceeds from bank borrowings | 7,962 | 4,298 | 14,832 | 11,015 |
| Repayment of bank borrowings | (9,782) | (6,627) | (18,101) | (12,100) |
| Repayment for finance lease | (154) | (89) | (311) | (260) |
| Dividends paid by a subsidiary to a non-controlling shareholder | (104) | (195) | (104) | (195) |
| Net cash flow used in financing activities | (2,339) | (2,850) | (4,236) | (2,000) |
| Net decrease in cash and cash equivalents | (585) | (3,197) | (2,494) | (3,151) |
| Cash and cash equivalents at beginning of the financial period | 1,214 | 4,208 | 3,123 | 4,166 |
| Effect of currency translation on cash and cash equivalents | (47) | 59 | (47) | 55 |
| Cash and cash equivalents at end of the financial period | 582 | 1,070 | 582 | 1,070 |
| Cash and cash equivalents comprise the followings: | | | | |
| Cash and bank balances | 5,033 | 5,172 | 5,033 | 5,172 |
| Bank overdrafts | (4,451) | (4,102) | (4,451) | (4,102) |
| | 582 | 1,070 | 582 | 1,070 |



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

STATEMENTS OF CHANGES IN EQUITY

| GROUP | Attributable to Owners of the Parent | | | | | | | Non-controlling interests | Total equity |
|---|--------------------------------------|-----------------|-----------------------|-----------------|--------------------|--------------------------------------|---------|---------------------------|--------------|
| | Share capital | Capital reserve | Share options reserve | General reserve | Accumulated losses | Foreign currency translation reserve | Total | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| YEAR 2019 | | | | | | | | | |
| Balance at 1 January 2019 | 195,039 | 3,732 | 88 | - | (176,045) | 2,029 | 24,843 | 4,049 | 28,892 |
| Total loss for the financial period | - | - | - | - | (1,596) | - | (1,596) | (392) | (1,988) |
| Foreign currency translation reserve | - | - | - | - | - | 145 | 145 | - | 145 |
| Balance at 31 March 2019 | 195,039 | 3,732 | 88 | - | (177,641) | 2,174 | 23,392 | 3,657 | 27,049 |
| Balance at 1 April 2019 | 195,039 | 3,732 | 88 | - | (177,641) | 2,174 | 23,392 | 3,657 | 27,049 |
| Total loss for the financial period | - | - | - | - | (1,878) | - | (1,878) | (422) | (2,300) |
| Foreign currency translation reserve | - | - | - | - | - | (201) | (201) | - | (201) |
| Dividends paid to a non-controlling shareholder by a subsidiary company | - | - | - | - | - | - | - | (104) | (104) |
| Balance at 30 June 2019 | 195,039 | 3,732 | 88 | - | (179,519) | 1,973 | 21,313 | 3,131 | 24,444 |

| GROUP | Attributable to Owners of the Parent | | | | | | | Non-controlling interests | Total equity |
|---|--------------------------------------|-----------------|-----------------------|-----------------|--------------------|--------------------------------------|---------|---------------------------|--------------|
| | Share capital | Capital reserve | Share options reserve | General reserve | Accumulated losses | Foreign currency translation reserve | Total | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| YEAR 2018 | | | | | | | | | |
| Balance at 1 January 2018 | 195,039 | 3,789 | 88 | 299 | (172,614) | 2,777 | 29,378 | 4,640 | 34,018 |
| Total loss for the financial period | - | - | - | - | (230) | - | (230) | (461) | (691) |
| Foreign currency translation reserve | - | - | - | - | - | (295) | (295) | - | (295) |
| Transfer of general reserve to accumulated losses | - | - | - | (299) | 299 | - | - | - | - |
| Balance at 31 March 2018 | 195,039 | 3,789 | 88 | - | (172,545) | 2,482 | 28,853 | 4,179 | 33,032 |
| Balance at 1 April 2018 | 195,039 | 3,789 | 88 | - | (172,545) | 2,482 | 28,853 | 4,179 | 33,032 |
| Total loss for the financial period | - | - | - | - | (350) | - | (350) | (7) | (357) |
| Foreign currency translation reserve | - | - | - | - | - | (33) | (33) | - | (33) |
| Dividends paid to a non-controlling shareholder by a subsidiary company | - | - | - | - | - | - | - | (195) | (195) |
| Balance at 30 June 2018 | 195,039 | 3,789 | 88 | - | (172,895) | 2,449 | 28,470 | 3,977 | 32,447 |

| COMPANY | Attributable to Owners of the Company | | | | | | |
|-------------------------------------|---------------------------------------|-----------------|-----------------------|-----------------|--------------------|--------------------------------------|---------|
| | Share capital | Capital reserve | Share options reserve | General reserve | Accumulated losses | Foreign currency translation reserve | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| YEAR 2019 | | | | | | | |
| Balance at 1 January 2019 | 195,039 | - | 88 | - | (173,565) | - | 21,562 |
| Total loss for the financial period | - | - | - | - | (757) | - | (757) |
| Balance at 31 March 2019 | 195,039 | - | 88 | - | (174,322) | - | 20,805 |
| Balance at 1 April 2019 | 195,039 | - | 88 | - | (174,322) | - | 20,805 |
| Total loss for the financial period | - | - | - | - | (668) | - | (668) |
| Balance at 30 June 2019 | 195,039 | - | 88 | - | (174,990) | - | 20,137 |

| COMPANY | Attributable to Owners of the Company | | | | | | |
|--|---------------------------------------|-----------------|-----------------------|-----------------|--------------------|--------------------------------------|---------|
| | Share capital | Capital reserve | Share options reserve | General reserve | Accumulated losses | Foreign currency translation reserve | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| YEAR 2018 | | | | | | | |
| Balance at 1 January 2018 | 195,039 | - | 88 | 299 | (173,504) | - | 21,922 |
| Total loss for the financial period | - | - | - | - | (845) | - | (845) |
| Reclassified of expired Options to Retained earnings | - | - | - | (299) | 299 | - | - |
| Balance at 31 March 2018 | 195,039 | - | 88 | - | (174,050) | - | 21,077 |
| Balance at 1 April 2018 | 195,039 | - | 88 | - | (174,050) | - | 21,077 |
| Total loss for the financial period | - | - | - | - | (697) | - | (697) |
| Balance at 30 June 2018 | 195,039 | - | 88 | - | (174,747) | - | 20,380 |



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

Changes in Share Capital

Since 1 April 2019, no new ordinary shares have been issued by the Company.

Acma Employee Share Option Scheme 2004

As at 30 June 2019, there were no outstanding options (30 June 2018: options for 929,250 shares at an exercise price of S\$3.40 per share). The Acma Employee Share Option Scheme 2004 which commenced on 16 August 2014 had expired on 15 August 2018.

Acma Employee Share Option Scheme 2014

As at 30 June 2019, there were outstanding options for 1,933,000 shares (30 June 2018: 1,933,000) with the exercise period from 28 November 2017 to 27 November 2021, during which option holders can subscribe for new ordinary shares at an exercise price of S\$0.35 per share.

Changes in Treasury Shares

Not applicable. The Company does not have any treasury shares.

Changes in shares of subsidiary holdings.

Not applicable.

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

As at 30 June 2019, the Company had 42,390,998 (30 June 2018: 42,390,998) issued and fully paid ordinary shares.

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

Not applicable.

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

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

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

Not applicable.

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

The Group's accounting policies and methods of computation are consistent with those disclosed in the FY2018 audited financial statements with the exception of the adoption of the new accounting standard *SFRS(I) 16: Leases* which came into effect from 1 January 2019.

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

The new accounting standard *SFRS(I) 16: Leases* which came into effect on 1 January 2019, sets out the principles for the recognition, measurement, presentation and disclosure of leases and introduces a single, on-balance sheet accounting model for leases.

The Group will apply the new accounting standard on modify retrospective approach to recognise the cumulative effect of initially applying *SFRS(I) 16*. Accordingly, the comparative financial statements will not be restated.



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

| | Group | | Group | |
|---|---------------------------|--------|------------------------|--------|
| | 2nd Quarter Ended 30 June | | 6 Months Ended 30 June | |
| | 2019 | 2018 | 2019 | 2018 |
| Earnings/(Loss) per share (cents) | | | | |
| Based on weighted average number of ordinary shares | (4.4) | (0.8) | (8.2) | (1.4) |
| - weighted average number of shares ('000) | 42,391 | 42,391 | 42,391 | 42,391 |
| On a fully diluted basis, based on adjusted weighted average number of shares | (4.4) | (0.8) | (8.2) | (1.4) |
| - adjusted weighted average number of shares ('000) | 42,391 | 42,391 | 42,391 | 42,391 |

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

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

| | Group | | Company | |
|--|--------------------|------------------------|--------------------|------------------------|
| | As at 30 June 2019 | As at 31 December 2018 | As at 30 June 2019 | As at 31 December 2018 |
| Net asset backing per ordinary share based on issued share capital (S\$) | 0.50 | 0.59 | 0.48 | 0.51 |
| Total number of issued ordinary shares ('000) | 42,391 | 42,391 | 42,391 | 42,391 |

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

Revenue for Q2 FY2019 increased by S\$1.1 million (6.1%) from S\$18.1 million in Q2 FY2018 to S\$19.2 million. The higher revenue was mainly attributed to the Group's Communications, electronics, equipment and distribution business which recorded a S\$2.4 million revenue increase, set-off by revenue decreases of S\$1.1 million and S\$0.1 million from the Group's tooling operations and the Group's metal printing and packaging services business. The revenue increase of the Group's Communications, electronics, equipment and distribution business in Q2 FY2019 was attributed mainly to approximately S\$3.9 million revenue from the sale of soft commodities to South Asian customers; this was in keeping with its strategy to increase and diversify its revenue base by offering a wider range of products and leveraging on its customer base.

**Costs and Expenses****(a) Raw materials and consumables used**

Raw materials and consumables used in Q2 FY2019 increased by S\$2.0 million (18.8%) from S\$10.6 million in Q2 FY2018 to S\$12.6 million. The increase was greater than the the 6.1% revenue increase due mainly to lower gross margins and the change in sales mix during the period.

(b) Other operating expenses

Other operating expenses increased by S\$1.1 million (40.4%) from S\$2.7 million in Q2 FY2018 to S\$3.8 million in Q2 FY2019. The increase recorded in Q2 FY2019 was due mainly to an exceptional S\$0.5 million recovery of mould costs taken up by the Group's tooling business in Q2 FY2018 and a S\$0.4 million reduction in exchange gain recorded in the current quarter as compared to Q2 FY2018.

Loss from operations

Despite an increase in Revenue, the Group reported an increased Operating loss of S\$2.2 million for Q2 FY2019 (Q2 FY2018: S\$0.3 million loss). This was due to a reduction in operating margin as a result of the change in sale mix during the period, S\$0.4 million reduction in exchange gain compared to Q2 FY2018 and a non-recurring S\$0.5 million recovery of mould costs recorded in Q2 FY2018.

Share of results of associates

There were no contributions from the associated companies in Q2 FY2019 and Q2 FY2018.

Loss before taxation

The Group incurred a Pre-loss of S\$2.2 million for Q2 FY2019 (Q2 FY2018: S\$0.3 million loss).

Income tax expense

The Group's income tax expense of S\$66,000 for Q2 FY2019 related to the Group's subsidiaries which had taxable profits during the period.

Loss for the period

The Group recorded an After-tax loss of S\$2.3 million for Q2 2019 (Q2 FY2018: S\$0.4 million loss). After accounting for the share of non-controlling interests, loss attributed to the Company amounted to S\$1.9 million for Q2 FY2019 (Q2 FY2018: S\$0.4 million loss).

**Statement of Financial Position**

- (a) Property, plant and equipment decreased by S\$0.8 million from S\$11.5 million at 31 December 2018 to S\$10.7 million at 30 June 2019. The decrease was due mainly to S1.1 million depreciation charged in H1 FY2019, set-off by a S\$0.4 million purchase of plant and equipment as well as the effect of foreign currency translation.
- (b) Other assets reduced by S\$0.2 million from S\$1.3 million at 31 December 2018 to S\$1.1 million at 30 June 2019 due mainly to the course of amortisation charged on a long term prepaid operating lease.
- (c) Cash and bank balances decreased S\$1.9 million from S\$6.9 million at 31 December 2018 to S\$5.0 million at 30 June 2019. Bank borrowings decreased by S\$2.6 million from S\$14.1 million at 31 December 2018 to S\$11.5 million at 30 June 2019. Bank borrowings included bank overdrafts of S\$4.5 million at 30 June 2019 (31 December 2018: S\$3.8 million).
- (d) Finance lease payables (current and non-current) decreased by S\$0.3 million from S\$2.1 million at 31 December 2018 to S\$1.8 million at 30 June 2019. The decrease was due to lease repayments of S\$0.3 million made during the 6 months' period.

Cash flow and Working Capital

- (a) The Group had positive net working capital as at 30 June 2019 of S\$10.1 million (31 December 2018: S\$13.5 million). The decrease in net working capital was mainly due to the losses incurred for the 6 months' period.
- (b) Net cash flow generated from operating activities in Q2 FY2019 amounted to S\$2.1 million as compared to S\$0.3 million in Q2 FY2018. The positive net cash flow in Q2 FY2019 was mainly attributable to a net reduction in working capital of about S\$3.5 million, set-off by S\$1.3 million operating cash outflow in the current quarter.
- (c) The Group used S\$0.4 million in its investing activities during Q2 FY2019 (Q2 FY2018: S\$0.7 million cash used). The lower cash used in Q2 FY2019 was due mainly to lower capital expenditure in the current quarter.
- (d) Net cash flows used in financing activities in Q2 FY2019 amounted to S\$2.3 million (Q2 FY2018: S\$2.9 million cash used). This comprised mainly net repayment of bank borrowings and finance leases of S\$1.8 million and S\$0.2 million respectively in the current quarter (net repayment of S\$2.3 million and S\$0.1 million respectively in Q2 FY2018).
- (e) Consequently, Cash and cash equivalents (net of bank overdrafts) decreased to S\$0.6 million at 30 June 2019 as compared to S\$1.1 million at 30 June 2018.



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

There was no forecast or prospect statement previously disclosed to shareholders.

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

There has not been any improvement in the near term outlook which is expected to remain challenging. We anticipate having to deal with continuing price pressures from customers, an increasingly competitive landscape as well as rising costs.

The imposition of US tariffs on imports from China and other nations as well as impending BREXIT, have had an adverse impact on the Group's tooling operations, affecting order intake, the roll-out timeline for prospective projects as well as margins.

The Group continues to actively explore other business opportunities which may contribute to its earnings base and add shareholder value.

DIVIDEND

11. (a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on?

None.

Name of Dividend

Dividend Type

Dividend Amount per Share (in cents)

Par value of shares

Tax Rate

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

Name of Dividend

Dividend Type

Dividend Amount per Share (in cents)

Par value of shares

Tax Rate

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 June 2019 as the Group has incurred a loss for the current period.

**ACMA LTD**

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

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

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The aggregate value of all Interested Person Transactions entered into for the financial period ended 30 June 2019 pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (excluding transactions less than S\$100,000):

Nil.

- 14. Use of Proceeds from Exercise of Warrants and Issuance of New Shares**

Not applicable.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).**

The Company confirmed that all its directors and executive officers have executed the Appendix 7.7 Form under Rule 720 (1).

- 16. Negative confirmation pursuant to Rule 705(5).**

We, Quek Sim Pin and Robert Low Mui Kiat, being directors of the Company, do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the 6 months financial period ended 30 June 2019 to be false or misleading.

On Behalf of the Board of Directors

Quek Sim Pin
Executive Chairman

Robert Low Mui Kiat
Independent Director

By Order of the Board

Quek Sim Pin
Executive Chairman

14 August 2019