
**ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2023
RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS**

The Board of Directors (the “Board”) of Acma Ltd (the “Company” and together with its subsidiaries, the “Group”) refers to the questions received from shareholders of the Company ahead of the Company’s Annual General Meeting (“AGM”) to be held on 28 April 2023 at 9.00 a.m.. The Company wishes to provide its response below:

1. The company has been making for many years, and as of writing, the market capitalization of the company is only around 1.1 million SGD. Is the company already inside the SGX watchlist? Will it be included in the SGX watchlist?

Company: The Company is not currently on the SGX watch list.

2. The company reported yet another year of losses. Please reflect and indicate what (concrete) actions/steps have the management *taken over the past year* to return the company to profitability? And please evaluate and elaborate on the efficacy of these steps/actions taken?

Company: Actions taken by the Group over the last few years included: -

- a) the disposal of its loss-making tinplate printing & can manufacturing operations in Vietnam;
- b) the dispose of its loss-making tool manufacturing operation in Dongguan, PRC;
- c) the down-sizing and subsequent closure of its European based tool marketing operation; and
- d) rationalization and reduction of Group operating overheads.

These actions had enabled the Group to significantly curtail its after-tax losses in FY2022 as can be seen in the results summary for FY2020 to FY2022 below: -

Year	(Loss)/Profit before Tax	Tax Expenses	(Loss) after Tax
FY2020*	(5,240)	(298)	(5,538)
FY2021*	(5,332)	(224)	(5,556)
FY2022	29	(816)	(787)

*FY2020 and FY2021 results relate to both the continuing and discontinued operations of the Group.

The Group will seek to continue to rationalise its operations through the possible disposal of its loss-making and non-core businesses as well as exploring other avenues and business opportunities which may contribute to the Group's earnings.

3. From page 32 of AR, there are 4.138million of trade receivables past due by more than 180 days. The company has made a loss allowance of 2.718million. Why are there so many trade receivables past due by more than 180 days? What is the company doing to manage these overdue trade receivables? Should the company tighten its credit policy so as to reduce or avoid these errant/ "chao kuan" customers who drag, delay and/or dodge payments? Please explain and elaborate what is the company's credit policy and steps it has taken or already taken to manage trade receivables that are long overdue.

Company: The loss allowance of S\$2.718 million is a cumulative number and does not represent the loss allowance made during the year. Compared to FY2021, the loss allowance in respect of trade receivables and accrued revenue past due more than 180 days has reduced marginally from S\$2.846 million at 31.12.2021 to S\$2.718 million. The total loss allowance of the Group at 31.12.22 amounted to S\$2.726 million compared to S\$3.034 million at 31 December 2021. The Group reviews the credit status of its various customers on an ongoing basis and where appropriate, the Group may reduce or cease supply to customers with excessive overdue trade credit. The Group has a credit policy in place whereby credit terms granted will be established based on credit searches, review of financial statements where possible or available, and other necessary reviews of customers for assessment. In managing long overdue trade receivables, the Group may institute legal action where such action is considered cost-effective and beneficial to the Group, taking into consideration the costs of litigation as well as the estimated possibility and quantum of recovery.

4. Could the company please disclose the identity of the counterparty for the 4.138million of trade receivables past due by more than 180 days? Is the trade receivables owed by a single or multiple counterparty(ies)? What is the concentration risk? Are we still conducting business with these counterparty(ies)? Are these counterparty(ies) in financial distress or in liquidation? Why are these counterparty(ies) unwilling or unable to pay up in time and in full? Please explain and elaborate.

Company: Due to confidentiality reasons, the Group is unable to disclose the identity of the counter-parties in respect of the S\$4.138 million of trade receivables which are past due by more than 180 days. The S\$4.138 million comprise amounts owed by several counter-parties of five different subsidiaries of the Group, including many of whom are still current customers of the Group. Whilst certain balances are owed by parties which are in financial distress and/or in liquidation/bankruptcy or alternatively may be in respect of old disputed balances which are unlikely to be recoverable, there are others which are subject to extended payment arrangements and based on past experience are likely to be recovered over time.

By Order Of The Board

Quek Sim Pin
Executive Chairman and CEO
24 April 2023