



**SGX QUERY REGARDING THE COMPANY'S ANNOUNCEMENT
ON QUARTERLY FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED
31 DECEMBER 2019**

The Board of Directors of ACMA LTD (the "Company") wishes to announce the following in response to the query raised by Singapore Exchange Limited ("SGX") with respect to the Company's financial results announcement for the 4th Quarter ended 31 December 2019 (the "Financial Statements").

SGX Query

Please clarify the explanation given on page 9 of the Financial Statements in relation to the "raw materials and consumables" line item.

Company Response

The narrative should be amended to read as follows:-

(a) Raw materials and consumables used

Raw materials and consumables used in Q4 FY2019 decreased by S\$0.4 million (2.1%) from S\$17.0 million in Q4 FY2018 to S\$16.6 million. The 2.1% decrease in Raw materials and consumables used is less than the 15.1% decrease in Revenue was due mainly to the change in sales mix as well as the variance in the percentage of raw materials and consumables used of the various business segments.

The revenue contribution of the various business segments in Q4 FY2019 compared to Q4 FY2018 were as follows:-

	<u>Q4 FY2019</u>	<u>Q4 FY2018</u>
(a) Tooling and plastic injection moulding	60%	66%
(b) Communications, electronics & equipment distribution	19%	13%
(c) Metal printing & packaging services	21%	21%

As a percentage of revenue, Raw materials and consumables increased 9.1% from 58.8% in Q4 FY2018 to 67.9% in Q4 FY2019 due mainly to increase in the percentage of raw materials and consumables of the various business segments as follows:-

- (a) Tooling and plastic injection moulding - 57.8% in Q4 FY2018 to 60.8% in Q4 FY2019
- (b) Communications, electronics & equipment distribution - 71.0% in Q4 FY2018 to 81.7% in Q4 FY2019
- (c) Metal printing & packaging services - 54.4% in Q4 FY2018 to 75.8% in Q4 FY2019.

For FY2019, Raw materials and consumables used decreased by S\$1.5 million (2.4%) from S\$61.8 million in FY2018 to S\$60.3 million. The 2.4% decrease in Raw materials and consumables cost is less than the 10.2% decrease in Revenue was due mainly to the change in sales mix as well as the variance in the percentage of raw materials and consumables used of the various business segments.

The revenue contribution of the various business segments in FY2019 compared to FY2018 were as follows:-

	<u>Q4 FY2019</u>	<u>Q4 FY2018</u>
(a) Tooling and plastic injection moulding	59%	68%
(b) Communications, electronics & equipment distribution	17%	18%
(c) Metal printing & packaging services	15%	14%
(d) Other (mainly soft commodities trading)	9%	0%

As a percentage of revenue, Raw materials and consumables increased 5.4% from 61.8% in FY2018 to 67.2% in FY2019 due mainly to (i) the inclusion of Soft commodity trading revenue in FY2019 for which raw materials and consumables used amounted to 98.3% of related revenue, and (ii) variance in the percentage of raw materials and consumables of the other business segments as follows:-

- (a) Tooling and plastic injection moulding - 60.3% in FY2018 to 58.3% in FY2019
- (b) Communications, electronics & equipment distribution - 76.6% in FY2018 to 78.8% in FY2019
- (c) Metal printing & packaging services - 50.9% in FY2018 to 71.5% in FY2019.

The significant increase in raw materials and consumables used in respect of the Metal printing & packaging services business in Q4 FY2019 (compared to Q4 FY2018) as well as FY2019 (compared to FY2018) was due mainly to:-

- (a) higher raw materials prices in FY2019 compared to FY2018;
- (b) lower selling margins due to increase competition; and
- (c) higher than normal returns in Q4 FY2019 due to production issues.

By Order of the Board

Quek Sim Pin
Executive Chairman

12 March 2020