



ACMA LTD.
(formerly known as China Auto Corporation Ltd)
(Company Registration No 196500233E)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX-ST QUERIES ON THE ACMA ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The directors ("Directors") of Acma Ltd. (the "Company") refers to the comments from the Singapore Exchange Securities Trading Limited ("SGX-ST") on the Acma Ltd Annual Report for the financial year ended 31 December 2013 and wish to clarify as follows:-

- a) Paragraph 9.2 of the Code of Corporate Governance 2012 states that the company should fully disclose the remuneration of each individual director and the CEO on a named basis and the company may round off the disclosed figures to the nearest thousand dollars. On page 11 of the Company's annual report, we note that the Company has disclosed the names and remuneration of the individual director and the CEO in bands of S\$250,000 but not fully disclose the remuneration of each individual director and the CEO. In this respect, please disclose or explain the reason(s) for the deviation from the code as required under Rule 1207(12) of the Listing Manual.

Company's response:

The Board is of the opinion that the remuneration details of individual key management staff and the aggregate remuneration paid to the top five key executives (who are also not Directors) are confidential and full disclosure of such information would not be in the interest of the Company.

- b) Paragraph 11.3 of the Code of Corporate Governance 2012 states that 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. On page 13 of the Company's annual report, we note that the Board has commented on the adequacy of the internal controls, however, there was no commentary on the adequacy and effectiveness of the risk management systems and information technology controls. In this respect, please disclose or explain the reason(s) for the deviation from the code.

Company's response:

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.

- c) Listing Rules 715(2) and 716 require an issuer to engage a suitable auditing firm for its significant subsidiaries and associated companies. We note on page 54 and 57 of the Annual Report that the Company has engaged a different auditor for its subsidiaries and associated companies, Acma Strategic Holdings Limited, Acot Plastics (Xiamen) Co., Ltd, Acot Tooling (Xiamen) Co., Ltd, AL&W Limited, Dongguan Chuangying Lihua Mould Co., Ltd, Rinzai Limited, Neftech Pte Ltd, Femto Pte Ltd. In respect of the above, please disclose whether they are significant subsidiaries and associated companies and if the Board and Audit Committee are satisfied that such appointment would not compromise the standard and effectiveness of the audit of the Company and basis for their views.

Company's response:

Certain subsidiaries and associated companies were audited by different auditors as disclosed in Note 11 and Note 12 to the Financial Statements in the Annual Report. However, the Management also made arrangements for the Company's main auditors to review the audit files of all significant subsidiaries and Associated Companies and raise any issues of concern and report to the Board and the Audit Committee. The Board and Audit Committee have considered these and are satisfied that the appointments would not compromise the standard and effectiveness of the audit of the Group.

By Order of the Board

Chou Kong Seng
Chief Financial Officer
Acma Ltd

22 April 2014