



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

**VARIANCES BETWEEN AUDITED FINANCIAL STATEMENTS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The Board of Directors (the "Board") of ACMA LTD refers to the unaudited full year financial results for FY2016 set out in our announcement dated 2 March 2017 (the "Unaudited Results").

The Board wishes to highlight certain reclassifications and changes to the Unaudited Results for FY2016 following the finalisation of the audit. The clarifications for the reclassifications/changes made are set out below.

| CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 | Audited Financial Statements S\$'000 | Unaudited Results S\$'000 | Differences Increase/ (Decrease) S\$'000 | Note |
|---|---|--|---|-------------|
| Revenue | | | | |
| Revenue | 76,375 | 76,375 | - | |
| Other revenue | 2,503 | 2,503 | - | |
| Total revenue | 78,878 | 78,878 | - | |
| Costs and expenses | | | | |
| Raw materials and consumables used | (47,970) | (47,271) | (699) | A |
| Changes in inventories of finished goods and work-in-progress | 699 | - | 699 | A |
| Labour costs | (4,940) | (4,941) | 1 | NM |
| Staff costs | (9,876) | (9,876) | - | |
| Finance costs | (533) | (533) | - | |
| Depreciation of property, plant and equipment | (2,045) | (2,045) | - | |
| Other operating expenses | (12,102) | (12,101) | (1) | NM |
| Total costs and expenses | (76,767) | (76,767) | - | |
| Profit/(Loss) from operations | 2,111 | 2,111 | - | |
| Share of loss from equity-accounted for associates | (44) | (44) | - | |
| Profit/(Loss) before income tax | 2,067 | 2,067 | - | |
| Income tax expense | (588) | (588) | - | |
| PROFIT/(LOSS) FOR THE YEAR | 1,479 | 1,479 | - | |

CLARIFICATION NOTES:

A Changes in inventories of finished goods and work-in-progress shown separately in the Audited Financial Statements.

NM Not material.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 FOR COMPANY**

| | Audited Financial Statements S\$'000 Company | Unaudited Results S\$'000 Company | Difference Increase/ (Decrease) S\$'000 Company | Note |
|--|---|--|--|-------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 50 | 50 | - | |
| Investments in subsidiaries | 19,870 | 19,868 | 2 | NM |
| Investments in associates | 20 | 20 | - | |
| Other assets | 1,096 | 1,096 | - | |
| Total non-current assets | 21,036 | 21,034 | 2 | |
| Current assets | | | | |
| Trade and other receivables | 166 | 167 | (1) | NM |
| Amounts owing by subsidiaries | 46,466 | 27,527 | 18,939 | B |
| Cash and bank balances | 71 | 71 | - | |
| Total current assets | 46,703 | 27,765 | 18,938 | |
| | | | - | |
| TOTAL ASSETS | 67,739 | 48,799 | 18,940 | B |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 195,039 | 195,039 | - | |
| Share options reserve | 97 | 97 | - | |
| General reserve | 290 | 290 | - | |
| Accumulated losses | (171,409) | (171,410) | 1 | NM |
| Equity attributable to owners of the parent | 24,017 | 24,016 | 1 | NM |
| Current liabilities | | | | |
| Trade and other payables | 955 | 955 | - | |
| Amounts owing to subsidiaries | 42,767 | 23,828 | 18,939 | B |
| Total current liabilities | 43,722 | 24,783 | 18,939 | |
| | | | - | |
| TOTAL EQUITY AND LIABILITIES | 67,739 | 48,799 | 18,940 | B |

CLARIFICATION NOTES:

B Adjustment of balances between subsidiaries due to re-assignments made.

NM Not material.

** There were no material differences in the Statement of Financial Position of the Group as at 31 December 2016.*

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

| | Audited Financial Statements S\$'000 | Unaudited Results S\$'000 | Difference Increase/ (Decrease) S\$'000 | Note |
|---|---|---------------------------------|--|---------|
| OPERATING ACTIVITIES | | | | |
| Profit/(Loss) before income tax | 2,067 | 2,067 | - | |
| Adjustments for :- | | | | |
| Depreciation of property, plant and equipment | 2,045 | 2,045 | - | |
| Write-off of property, plant & equipment | 31 | 32 | (1) | NM |
| Unrealised foreign exchange differences | 1,014 | 1,014 | - | |
| (Gain)/Loss on disposal of property, plant and equipment | (1) | - | (1) | NM |
| Interest income | (345) | (368) | 23 | C |
| Interest expense | 533 | 538 | (5) | C |
| Share of results of associates | 44 | 44 | - | |
| Gain on deemed disposal of associate | (*) | - | - | |
| (Write-back)/Impairment of investment in associates | (786) | (786) | - | |
| Allowance on impairment of doubtful receivables in associates | 196 | - | 196 | D. |
| Write-back on impairment of doubtful receivables in associates | (1,550) | (1,550) | - | |
| Amortisation of long-term operating lease | 563 | 190 | 373 | E |
| Write-back on impairment loss of long-term operating lease | (523) | (152) | (371) | E |
| Amortisation of other assets | 105 | 105 | - | |
| Write-back of allowance on inventory obsolescence | (152) | (152) | - | |
| Allowance on impairment of doubtful receivables | 103 | - | 103 | D |
| Gain/(Loss) on revaluation of marketable securities | (1) | (1) | - | |
| Provision for onerous contract | - | - | - | |
| Amortisation on provision for onerous contract | (402) | (402) | - | |
| Total operating cash flows before movements in working capital | 2,941 | 2,624 | 317 | |
| <i>Changes in working capital</i> | | | | |
| Trade and other receivables | (6,046) | (4,969) | (1,077) | D and F |
| Inventories and work-in-progress | (935) | (935) | - | |
| Trade and other payables | 3,626 | 1,053 | 2,573 | G |
| Cash (used in)/generated from operations | (414) | (2,227) | 1,813 | |
| Income taxes paid | (655) | (655) | - | |
| Net cash flows (used in)/generated from operating activities | (1,069) | (2,882) | 1,813 | |
| INVESTING ACTIVITIES | | | | |
| Interest received | 51 | 51 | - | |
| Acquisition of subsidiaries, net of cash acquired | 172 | (607) | 779 | F |
| Purchase of property, plant and equipment | (1,123) | (1,446) | 323 | H |
| Proceeds from disposal of plant and equipment | 1 | - | 1 | NM |
| Net cash flows used in investing activities | (899) | (2,002) | 1,103 | |
| FINANCING ACTIVITIES | | | | |
| Interest paid | (533) | (515) | (18) | C |
| Proceeds from bank borrowings | - | 16,467 | (16,467) | I |
| Repayments of bank borrowings | (1,194) | (17,661) | 16,467 | I |
| Repayments of finance lease | (71) | 253 | (324) | H |
| (Increase)/Decrease in amounts owing by associates | - | 2,573 | (2,573) | G |
| Dividends paid by a subsidiary to a non-controlling shareholder | (150) | (150) | - | |
| Proceeds from issuance of shares on conversion of Warrants | 1 | 1 | - | |
| Net cash flows (used in)/generated from financing activities | (1,947) | 968 | (2,915) | |
| Net increase/(decrease) in cash and cash equivalents | (3,915) | (3,916) | 1 | NM |
| Cash and cash equivalents at beginning of the financial year | 9,305 | 9,305 | - | |
| Effect of currency translation on cash and cash equivalents | (133) | (133) | - | |
| Cash and cash equivalents at end of the financial year | 5,257 | 5,256 | 1 | NM |

CLARIFICATION NOTES:

- C** Adjustments between interest income and interest expense in operating activities and interest paid in financing activities.
 - D** Allowance on impairment of doubtful receivables and trade and other receivables now shown separately as add-backs to cash flows from operating activities.
 - E** Reclassed between amortisation of long-term operating lease and write-back on impairment loss of long-term operating lease.
 - F** The adjustments made between trade and other receivables in operating activities and acquisition of subsidiaries (net of cash acquired) in investing activities related to the capitalisation of receivables of S\$779,000 in respect of the acquisition of a subsidiary (Xenon Manufacturing Pte Ltd).
 - G** Reclassification of S\$2,573,000 in respect of amounts owing by associates in financing activities after accounting for acquisition of an associate (Xenon Manufacturing Pte Ltd) to trade and other payables in operating activities.
 - H** Reclassification of S\$324,000 related to finance lease stated in purchase of property, plant and equipment, now reclassified to financing activities.
 - I** Reclassed between proceeds from bank borrowings and repayments of bank borrowings in financing activities.
 - NM** Not material.
- (*) Denotes amount less than S\$1,000.

BY ORDER OF THE BOARD

Quek Sim Pin
Executive Chairman
12 April 2017