



**VARIANCES BETWEEN AUDITED FINANCIAL STATEMENTS AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The Board of Directors (the "Board") of ACMA LTD refers to the unaudited full year financial results for FY2018 set out in our announcement dated 1 March 2019 (the "Unaudited Results").

The Board wishes to highlight certain changes and reclassifications to the Unaudited Results for FY2018 following the finalisation of the year-end audit. The clarifications for the adjustments made are set out below.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	GROUP			Note
	Audited Results	Unaudited Results	Differences Increase/ (Decrease)	
	S\$'000	S\$'000	S\$'000	
<b>Revenue</b>				
Revenue	99,957	95,269	4,688	A
Other revenue	661	661	-	
<b>Total revenue</b>	<b>100,618</b>	<b>95,930</b>	<b>4,688</b>	
<b>Costs and expenses</b>				
Raw materials and consumables used	(61,781)	(58,465)	3,316	B
Employee benefits expense	(18,671)	(18,671)	-	
Finance costs	(914)	(914)	-	
Depreciation of property, plant and equipment	(2,417)	(2,416)	1	#
Other operating expenses	(20,390)	(18,682)	1,708	C
<b>Total costs and expenses</b>	<b>(104,173)</b>	<b>(99,148)</b>	<b>(5,025)</b>	
<b>Loss from operations</b>	<b>(3,555)</b>	<b>(3,218)</b>	<b>337</b>	
Share of results from equity-accounted for associates	-	-	-	
<b>Loss before income tax</b>	<b>(3,555)</b>	<b>(3,218)</b>	<b>337</b>	
Income tax expense	(289)	(289)	-	
<b>LOSS FOR THE YEAR</b>	<b>(3,844)</b>	<b>(3,507)</b>	<b>337</b>	D
<b>Other comprehensive loss :-</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange difference on translating foreign operations	(748)	(714)	34	
<b>Other comprehensive loss for the year</b>	<b>(748)</b>	<b>(714)</b>	<b>34</b>	
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(4,592)</b>	<b>(4,221)</b>	<b>371</b>	
<b>Loss attributable to :-</b>				
Owners of the parent	(3,533)	(3,228)	305	
Non-controlling interests	(311)	(279)	32	
	<b>(3,844)</b>	<b>(3,507)</b>	<b>337</b>	
<b>Total comprehensive loss attributable to :-</b>				
Owners of the parent	(4,281)	(3,942)	339	
Non-controlling interests	(311)	(279)	32	
	<b>(4,592)</b>	<b>(4,221)</b>	<b>371</b>	

**NOTES TO THE DIFFERENCES :-**

**A** The S\$4.7 million increase in Revenue related to the Group's tooling and plastic injection moulding business. This was due principally to the inclusion of tooling revenue previously not taken up in the Unaudited Results because of incorrect interpretation of the Group's new revenue recognition policy [which was introduced in FY2018 pursuant to SFRS(I) 15 and set out in Note 2.4 of the Financial Statements].

**B** The increase in Raw materials and consumables used of S\$3.3 million related principally to the additional tooling revenue recognized and described in Note A above, set-off in part by the write-back of provisions amounting to approximately S\$0.5 million which were no longer required as at 31 December 2018.

**C** The increase in Other operating expenses by S\$1.7 million was due mainly to adjustments made following discussions with the Group's auditors:-

	S\$'000
(i) Impairment of Other receivables	2,333
(ii) Write-off of Recoverable amounts	300
(iii) Impairment of goodwill	(900)
	<u>1,733</u>

As set out in Note 36 of the audited Financial Statements, the impairment of Other receivables relate to various non-trade receivables which had been outstanding for more than 7 years and not secured. In consideration of the aforementioned factors and financial ability of the debtors, the Group assessed there was no reasonable expectation of recovery.

As at 31 December 2017, the carrying amount of Goodwill allocated to AL&W Limited amounted to S\$3,443,000. The Group is required to assess the carrying value of Goodwill annually. Consequent to the assessment for FY2018, impairment loss for FY2018 was assessed at S\$0.8 million. This resulted in a reduction of S\$0.9 million in the S\$1.7 million impairment provisionally made pursuant to the release of the Group's Unaudited Results on 1 March 2019. Further details of the Group's impairment assessment is set out in Note 15 of the Group's audited Financial Statements.

**D** The increase in Loss for the year was the consequence of the adjustments made as set out in Notes A, B and C.

**#** Minor difference due to rounding effect.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018 FOR GROUP**

	GROUP			Note	COMPANY		
	Audited Results	Unaudited Results	Difference Increase/ (Decrease)		Audited Results	Unaudited Results	Difference Increase/ (Decrease)
	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	11,537	11,537	-		282	282	-
Investments in subsidiaries					20,174	20,174	-
Other investments	1,429	1,429	-		-	-	-
Intangible assets	3,063	2,164	899	E	-	-	-
Other assets	1,307	1,306	1	#	885	885	-
<b>Total non-current assets</b>	<b>17,336</b>	<b>16,436</b>	<b>900</b>		<b>21,341</b>	<b>21,341</b>	<b>-</b>
<b>Current assets</b>							
Inventories	17,124	17,124	-		-	-	-
Trade and other receivables	33,882	32,564	1,318	F	66	66	-
Amounts owing by subsidiaries	-	-	-		24,836	24,836	-
Cash and bank balances	6,887	6,887	-	#	41	40	1
<b>Total current assets</b>	<b>57,893</b>	<b>56,575</b>	<b>1,318</b>		<b>24,943</b>	<b>24,942</b>	<b>1</b>
<b>TOTAL ASSETS</b>	<b>75,229</b>	<b>73,011</b>	<b>2,218</b>		<b>46,284</b>	<b>46,283</b>	<b>1</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
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	(176,045)	(175,740)	(305)	G/J	(173,565)	(173,084)	(481)
Foreign currency translation reserve	2,029	2,029	-		-	-	-
<b>Equity attributable to owners of the parent</b>	<b>24,843</b>	<b>25,148</b>	<b>(305)</b>		<b>21,562</b>	<b>22,043</b>	<b>(481)</b>
<b>Non-controlling interests</b>	<b>4,049</b>	<b>4,079</b>	<b>(30)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>							
Finance lease payable	1,481	1,481	-		130	124	6
Deferred tax liabilities	444	444	-		-	-	-
	<b>1,925</b>	<b>1,925</b>	<b>-</b>		<b>130</b>	<b>124</b>	<b>6</b>
<b>Current liabilities</b>							
Contract liabilities from contracts with customers	6,027	-	6,027	H	-	-	-
Finance lease payable	616	616	-		23	28	(5)
Bank borrowings	14,124	14,124	-		-	-	-
Trade and other payables	23,385	26,859	(3,474)	I	858	858	-
Amounts owing to subsidiaries	-	-	-	J	23,711	23,230	481
Derivative financial instrument	1	1	-		-	-	-
Income tax payables	259	259	-		-	-	-
<b>Total current liabilities</b>	<b>44,412</b>	<b>41,859</b>	<b>2,553</b>		<b>24,592</b>	<b>24,116</b>	<b>476</b>
<b>Total Liabilities</b>	<b>46,337</b>	<b>43,784</b>	<b>2,553</b>		<b>24,722</b>	<b>24,240</b>	<b>482</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>75,229</b>	<b>73,011</b>	<b>2,218</b>		<b>46,284</b>	<b>46,283</b>	<b>1</b>

**NOTES TO THE DIFFERENCES :-**

**E** The increase in the Intangible assets by S\$0.9 million was due to the reduction in the Impairment of Goodwill relating to AL&W referred to in Note C.

**F** The S\$1.3 million increase in the Trade and other receivables was due mainly to the net increase in trade receivables, accrued revenue and prepayments as a result of the increase in Tooling revenue recognised (as set out in Note A above) set-off by a S\$2.6 million decrease in Other

	S\$'000
Per Unaudited Balance Sheet	32,564
Additional Tooling revenue (Note A)	4,688
Impairment of Other receivables (Note C(i))	(2,333)
Write-off of Recoverable amounts (Note C(ii))	(300)
Net amount reclassified to Trade and other payables (Note I)	(737)
Per Audited Balance Sheet	<u>33,882</u>

**G** The increase in the Accumulated losses by S\$0.3 million was attributed to the increased in the Loss for FY2018 (Note D).

**H** The Contract liabilities from contracts with customers of S\$6.0 million relate to progress billings made to customers in respect of Tooling projects for which revenue have not been recognised as at financial year end. This amount was in previous years disclosed as part of Trade and other payables - in the current year, amount is shown on its own and hence was reclassified from Trade and other payables (Note I).

**I** The decrease in Trade and other payables decreased was due mainly to the reclassification for Contract liabilities from contracts with customers account from the Trade and other payables, set -off in part by additional tooling costs taken up in respect of revenue previously not recognized in the

	S\$'000
Per Unaudited Balance Sheet	26,859
Additional Tooling costs (Note B)	3,316
Net amount reclassified to Contract liabilities from contracts with customers (Note H)	(6,027)
Net amount reclassified from Trade and other receivables (Note F)	(737)
Other miscellaneous	(26)
Per Audited Balance Sheet	<u>23,385</u>

**J** The increase in Accumulated Losses of the Company/Amounts owing to subsidiaries was due to the reversal of a write-off of an inter-company balance which had been incorrectly made in the Unaudited Results. It has however no bearing on the Group's results.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	<b>GROUP</b>			<b>Note</b>
	Audited Results	Unaudited Results	Difference Increase/ (Decrease)	
	S\$'000	S\$'000	S\$'000	
Net cash flows used in investing activities	(1,359)	(1,795)	436	K
Net cash flows generated from financing activities	1,204	1,641	(437)	K

**NOTES TO THE DIFFERENCES :-**

K Mainly due to adjustment for the purchase of property, plant and equipment under finance lease during the year.

**BY ORDER OF THE BOARD**

Quek Sim Pin  
Executive Chairman  
15 April 2019