



# ACMA LTD

(formerly China Auto Corporation Ltd)  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 196500233E)

## Unaudited First Quarter Financial Statements And Related Announcement for the Financial Period Ended 31 March 2014

### PART1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### Unaudited Consolidated Statement of Comprehensive Income for :-

		Group		
		3 months ended 31 March		
	Note	2014	2013	Inc/(Dec)
		\$'000	\$'000	%
<b>Revenue</b>				
Revenue		11,340	13,535	(16.2)
Other revenue		204	317	(35.6)
Total revenue		11,544	13,852	(16.7)
<b>Costs and expenses</b>				
Goods and consumables used		(4,906)	(8,271)	(40.7)
Staff costs		(3,327)	(2,857)	16.5
Finance costs		(44)	(94)	(53.2)
Operating expenses	1	(3,732)	(3,316)	12.5
Total costs and expenses		(12,009)	(14,538)	(17.4)
<b>Loss from operations</b>				
		(465)	(686)	(32.2)
Share of results of associated companies		(69)	(216)	(68.1)
<b>Loss before taxation</b>				
Income tax expense	2	(534)	(902)	(40.8)
		(38)	(28)	35.7
<b>Loss after taxation</b>				
		(572)	(930)	(38.5)
<b>Other comprehensive (loss)/income :-</b>				
Currency translation difference arising from consolidation		(385)	275	N/M
Other comprehensive (loss)/income for the period, net of tax		(385)	275	N/M
<b>Total comprehensive loss for the period</b>				
		(957)	(655)	46.1
<b>Loss attributable to :-</b>				
Equity holders of the Company		(750)	(943)	(20.5)
Non-controlling interests		178	13	1,269.2
		(572)	(930)	(38.5)
<b>Total comprehensive loss attributable to :-</b>				
Equity holders of the Company		(1,135)	(668)	69.9
Non-controlling interests		178	13	1,269.2
		(957)	(655)	46.1
<b>Loss per share</b>				
		Cents	Cents	
Basic loss per share		-0.02	-0.02	
Diluted loss per share		-0.02	-0.02	
N/M - not meaningful				



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1(b)(i) **A statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

### Statements of Financial Position

	Group		Company	
	31.03.14	31.12.2013	31.03.14	31.12.2013
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7,666	8,498	116	124
Investments in subsidiary companies	-	-	19,407	19,407
Investments in associated companies	66,019	66,088	65,072	65,072
Other investments	5,465	5,616	-	-
Intangible assets	3,443	3,443	-	-
Other assets	1,385	1,411	1,385	1,411
	<b>83,978</b>	<b>85,056</b>	<b>85,980</b>	<b>86,014</b>
<b>Current assets</b>				
Inventories	4,401	4,016	-	-
Work-in-progress	518	605	-	-
Trade and other receivables	32,174	34,259	99	54
Amounts owing by subsidiary companies	-	-	45,867	46,006
Amounts owing by associated companies	2,118	2,053	664	645
Marketable securities	5	5	-	-
Cash and bank balances	5,547	5,382	343	725
	<b>44,763</b>	<b>46,320</b>	<b>46,973</b>	<b>47,430</b>
<b>Total assets</b>	<b>128,741</b>	<b>131,376</b>	<b>132,953</b>	<b>133,444</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	194,270	193,920	194,270	193,920
Capital reserve	1,786	1,786	-	-
Employee share option reserve	64	42	64	42
General reserve	290	290	290	290
Accumulated losses	(97,003)	(96,253)	(93,851)	(93,189)
Foreign currency translation reserve	1,423	1,808	-	-
	<b>100,830</b>	<b>101,593</b>	<b>100,773</b>	<b>101,063</b>
<b>Non-controlling interests</b>	<b>1,919</b>	<b>1,741</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>102,749</b>	<b>103,334</b>	<b>100,773</b>	<b>101,063</b>
<b>Non-current liabilities</b>				
Finance lease payables	51	57	-	-
<b>Current liabilities</b>				
Work-in-progress	39	34	-	-
Finance lease payables	26	26	-	-
Bank borrowings - unsecured	5,487	5,116	-	-
Trade and other payables	20,286	22,727	1,101	1,293
Amounts owing to subsidiary companies	-	-	31,079	31,088
Income tax payables	103	82	-	-
	<b>25,941</b>	<b>27,985</b>	<b>32,180</b>	<b>32,381</b>
<b>Total liabilities</b>	<b>25,992</b>	<b>28,042</b>	<b>32,180</b>	<b>32,381</b>
<b>Total equity and liabilities</b>	<b>128,741</b>	<b>131,376</b>	<b>132,953</b>	<b>133,444</b>



**Notes to the Financial Statements**

**1. Operating expenses**

Total costs and expenses includes the following charges/(credits) :-

Amortisation of long term operating lease	
Amortisation of other assets	
Depreciation of property, plant and equipment	
Gain on disposal of property, plant and equipment	
Write off of property, plant & equipment	
Write back of allowance on inventory obsolescence	
Loss on foreign exchange	

Group		
3 months ended 31 March		
2014	2013	Inc/(Dec)
\$'000	\$'000	%
129	126	2.4
26	26	-
651	737	(11.7)
(19)	-	N/M
2	-	N/M
(200)	-	N/M
95	195	(51.3)

N/M - not meaningful

**2. Income tax expense**

Current taxation	
Under provision in respect of prior years:-	
Current taxation	
Charge for the period	

Group		
3 months ended 31 March		
2014	2013	Inc/(Dec)
\$'000	\$'000	%
(34)	(23)	47.8
(4)	(5)	(100.0)
(38)	-28	35.7

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand :-**

As at 31.03.2014	
Secured	Unsecured
\$ 26,000	\$ 5,487,000

As at 31.12.2013	
Secured	Unsecured
\$ 26,000	\$ 5,116,000

**Amount repayable after one year :-**

As at 31.03.2014	
Secured	Unsecured
\$ 51,000	\$ -

As at 31.12.2013	
Secured	Unsecured
\$ 57,000	\$ -

**Details of any collateral :-**

Finance lease payables amounting to S\$77,000 (31.12.2013: S\$83,000) are secured on certain of the Group's equipment.



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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	3 months ended 31 March	
	2014	2013
	\$'000	\$'000
<b>Cash flow from operating activities :</b>		
Loss before taxation	(534)	(902)
Adjustments for :-		
Depreciation of property, plant and equipment	651	737
Amortisation of long-term operating lease	129	126
Amortisation of other assets	26	26
Cost of share-based payment	22	-
Write off of property, plant & equipment	2	-
Unrealised exchange differences	(118)	(152)
Gain on disposal of :-		
- property, plant and equipment	(19)	-
Interest income	(54)	(38)
Interest expense	44	94
Write back of allowance on inventory obsolescence	(200)	-
Share of results of associated companies	69	216
<b>Operating (loss)/profit before working capital changes</b>	18	107
Decrease/(Increase) in receivables	2,088	(600)
Increase in inventories and contract work-in-progress	(93)	(1,921)
(Decrease)/Increase in payables	(2,441)	1,621
<b>Cash used in operations</b>	(428)	(793)
Net income taxes (paid)/refunded	(17)	2
<b>Net cash used in operating activities</b>	(445)	(791)
<b>Cash flow from investing activities :</b>		
Interest received	4	4
Purchase of property, plant and equipment	(12)	(42)
Proceeds from disposal of property, plant and equipment	3	-
<b>Net cash (used in)/generated from investing activities</b>	(5)	(38)
<b>Cash flow from financing activities :</b>		
Interest paid	(44)	(94)
Proceeds from bank borrowings	2,150	3,015
Repayment of bank borrowings	(1,898)	(3,783)
Decrease in finance leases	(6)	(10)
Increase in amounts due from associated companies	(18)	(44)
Proceeds from issue of new shares on exercise of share options	350	672
<b>Net cash provided by/(used in) financing activities</b>	534	(244)
Net increase/(decrease) in cash and cash equivalents	84	(1,073)
Cash and cash equivalents at beginning of the period	4,617	4,022
Effects of exchange rate changes on cash and cash equivalents	(38)	58
<b>Cash and cash equivalents at end of the period</b>	4,663	3,007
<b>Cash and cash equivalents comprise the following :-</b>		
Cash and bank balances	5,547	3,918
Bank overdrafts	(884)	(911)
	4,663	3,007



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the parent								Non-controlling interests	Total equity
	Share Capital	Warrant reserve	Capital Reserve	Employee Share Option Reserve	General Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total		
<b>GROUP</b>										
Balance at 1 January 2014	\$'000 193,920	\$'000 -	\$'000 1,786	\$'000 42	\$'000 290	\$'000 (96,253)	\$'000 1,808	\$'000 101,593	\$'000 1,741	\$'000 103,334
Total comprehensive loss for the financial period	-	-	-	-	-	(750)	(385)	(1,135)	178	(957)
Cost of share-based payment	-	-	-	22	-	-	-	22	-	22
Share options exercised	350	-	-	-	-	-	-	350	-	350
Balance at 31 March 2014	194,270	-	1,786	64	290	(97,003)	1,423	100,830	1,919	102,749
Balance at 1 January 2013	193,098	11,795	1,778	9	290	(108,488)	961	99,443	2,069	101,512
Total comprehensive loss for the financial period	-	-	-	-	-	(943)	275	(668)	13	(655)
Share options exercised	672	-	-	-	-	-	-	672	-	672
Balance at 31 March 2013	193,770	11,795	1,778	9	290	(109,431)	1,236	99,447	2,082	101,529

	Share Capital	Warrant reserve	Employee Share Option Reserve	General Reserve	Accumulated Losses	Total
<b>COMPANY</b>						
Balance at 1 January 2014	\$'000 193,920	\$'000 -	\$'000 42	\$'000 290	\$'000 (93,189)	\$'000 101,063
Total comprehensive loss for the financial period	-	-	-	-	(662)	(662)
Cost of share-based payment	-	-	22	-	-	22
Share options exercised	350	-	-	-	-	350
Balance at 31 March 2014	194,270	-	64	290	(93,851)	100,773
Balance at 1 January 2013	193,098	11,795	9	290	(93,668)	111,524
Total comprehensive loss for the financial period	-	-	-	-	(543)	(543)
Share options exercised	672	-	-	-	-	672
Balance at 31 March 2013	193,770	11,795	9	290	(94,211)	111,653



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- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Changes in Share Capital

In Q1 2014, the Company issued 10,000,000 new ordinary shares pursuant to the Acma Employee Share Option Scheme 2004.

Acma Employee Share Option Scheme 2004

As at 31 March 2014, there were outstanding options for 50,750,000 (31 December 2013: 60,750,000) and 101,475,000 (31 December 2013: 101,475,000) new ordinary shares with an exercise price of S\$0.035 and S\$0.034 per share respectively.

Outstanding Warrants

As at 31 March 2014, there were 1,395,526,880 (31 December 2013: 1,395,527,880) Warrants with each Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.035 for each new share. These Warrants will expire on 7 July 2016.

- 1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 March 2014, the Company had 4,213,039,945 (31 December 2013: 4,203,038,945) issued and fully paid ordinary shares.

- 1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

2. **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than the adoption of the amended Financial Reporting Standards (FRS) that are effective for the current financial year, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2013.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial period. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.



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6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	3 months ended 31 March	
	2014	2013
<b>Profit/(Loss) per share (cents)</b>		
Based on weighted average number of ordinary shares		
- weighted average number of shares ('000)	-0.02	-0.02
	4,212,262	4,187,725
On a fully diluted basis, based on adjusted weighted average number of shares		
- adjusted weighted average number of shares ('000)	-0.02	-0.02
	4,212,262	4,252,775

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-  
(a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	As at 31.03.2014	As at 31.12.2013	As at 31.03.2014	As at 31.12.2013
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	2.44 cents	2.47 cents	2.4 cents	2.42 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-  
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Revenue**

Revenue decreased by 16.2% from S\$13.5 million for the 3 month financial period ended 31 March 2013 ("Q1 2013") to S\$11.3 million for the 3 month financial period ended 31 March 2014 ("Q1 2014"). This was attributable mainly to revenue decreases of S\$2.3 million and S\$0.8 million of the Group's Tooling and Communications, electronics and equipment distribution businesses respectively, offset by an increase of S\$1.0 million in revenue of the Group's Plastic injection business. The reduction in Tooling revenue was due mainly to lower number of projects reaching completion stage during Q1 2014 compared to Q1 2013 whilst the lower revenue for the Communications, electronics and equipment distribution business was due to lower sales in Q1 2014.

**Costs & Expenses**

**(a) Goods and consumables used**

Goods and consumables used decreased by 40.7% from S\$8.3 million in Q1 2013 to S\$4.9 million in Q1 2014. This is higher than the 16.2% decrease in revenue for the corresponding period and was due mainly to the lower use of tooling subcontractors in Q1 2014 as well as a change in sale mix (attributed mainly to the higher Plastic injection moulding revenue).

**(b) Staff costs**

Staff costs increased by 16.5% from S\$2.9 million in Q1 2013 to S\$3.3 million in Q1 2014 due mainly to increase in payroll costs of the Group's tooling and plastic injection moulding operations as a result of increase in wages as well as headcount in line with the improving outlook. The increase in headcount in the tooling operations has also enabled the tooling operations to reduce their reliance on subcontractors.



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### **(c) Operating expenses**

Operating expenses increased by S\$0.4 million from S\$3.3 million in Q1 2013 to S\$3.7 million in Q1 2014, attributed mainly to higher operating costs from the Group's Tooling and Plastics injection moulding businesses based in China.

### **Share of results of associated companies**

This relates mainly to the Group's equity interests in Neftech Pte Ltd, Femto Pte Ltd and our Vietnam tin-plate printing and can manufacturing operation. The loss for Q1 2014 was due to the S\$0.06 million share of loss of Neftech.

### **Loss after taxation**

The Group recorded a loss after tax of S\$0.6 million in Q1 2014 (Q1 2013 : S\$0.9 million loss).

### **Statement of Financial Position**

- (a) The reduction in Property, plant and equipment from S\$8.5 million at 31 December 2013 to S\$7.7 million at 31 March 2014 was due mainly to depreciation charge of S\$0.7 million during the current period and S\$0.2 million currency realignment.
- (b) Inventories increased by S\$0.4 million from S\$4.0 million at 31 December 2013 to S\$4.4 million at 31 March 2014 due mainly to the higher level of Plastic injection moulding business at the end of Q1 2014.
- (c) Trade and other receivables decreased by S\$2.1 million from S\$34.3 million at 31 December 2013 to S\$32.2 million at 31 March 2014. This was attributed mainly to the lower activity level of the Group in Q1 2014 compared to the immediately preceding quarter.
- (d) Trade and other payables decreased by S\$2.4 million from S\$22.7 million at 31 December 2013 to S\$20.3 million at 31 March 2014, due mainly to lower activity level of the Group in Q1 2014 compared to the immediately preceding quarter.

### **Cashflow and Working Capital**

- (a) As at 31 March 2014, the Group had net working capital of S\$18.8 million.
- (b) Cash used in operations in Q1 2014 amounted to S\$0.4 million. The Group derived approximately S\$0.2 million and S\$0.3 million from bank borrowings and issue of new shares on exercise of employee share options respectively. This resulted in approximately net increase of S\$0.1 million in cash and cash equivalents from S\$4.6 million at 31 December 2013 to S\$4.7 million at 31 March 2014.

## **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.





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### 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

European auto sales rose in January 2014 for the fifth straight month in a row and adding to growing confidence that Europe's auto market has, after a six-year slump, finally passed the worst. Though it is expected that sales growth in 2014 will be modest and the market environment in the coming months remaining competitive, the Group is optimistic based on recent enquiries for new business that barring unforeseen circumstances, FY2014 should be a better year for the Group's automotive tooling operations.

#### Neftech Pte Ltd

Neftech is our associated company whose principal activity is the development and marketing of its proprietary cavitation technology and nano additives to achieve fuel savings for shipping companies.

Fuel comprises more than half the cost of a shipping company's operating expenses and keeping this expenditure to a minimum is important to their management. Despite the relatively slow start to Q1 2014, management is confident that Neftech will turn in significant profits in 2014.

#### Femto Pte Ltd

Femto is our associated company which manufactures and markets a nano additive product, which added to engine oil, saves up to 10% and more on fuel consumption. It has appointed Neftech (mentioned above) as its sole distributor for the shipping market.

Femto has initially concentrated on establishing itself in the Singapore market and has signed agreements to supply its product to major diesel users including SMRT (buses), ComfortDelgro (taxis), and Transcab (taxis). The company is now moving to overseas markets and we expect continued growth in the years ahead.

### 11. Dividend

#### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? None.

Name of Dividend  
Dividend Type  
Dividend Amount per Share  
(in cents)  
Par value of shares  
Tax Rate

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

Name of Dividend  
Dividend Type  
Dividend Amount per Share  
(in cents)  
Par value of shares  
Tax Rate

#### **(c) Date payable**

Not applicable.

#### **(d) Books closure date**

Not applicable.

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**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for the financial period ended 31 March 2014.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The aggregate value of all Interested Person Transactions entered into for the financial period ended 31 March 2014 pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as tabulated hereunder:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	Nil	Nil

**14. Use of Proceeds from Exercise of Warrants**

The Company received net proceeds of S\$35 on the exercise of 1,000 warrants by a Warrantholder into 1,000 shares at an exercise price of S\$0.035 per share for the financial period ended 31 March 2014.

The net proceeds of \$35 was utilised as working capital by the Company as at 31 March 2014.

**15. Negative confirmation pursuant to Rule 705(5).**

We, Quek Sim Pin and Low Seow Chye, being directors of the Company, do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the 3 month financial period ended 31 March 2014 to be false or misleading.

On behalf of the Board of Directors

**Quek Sim Pin**  
**Executive Chairman**

**Low Seow Chye**  
**Independent Director**

**By Order of the Board**

**Quek Sim Pin**  
**Executive Chairman**  
15 May 2014