


ACMA LTD

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

**Unaudited Quarterly Financial Statements And Related Announcement
for the Financial Period Ended 30 September 2019**
**PART1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4),
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.

	Group			Group		
	3rd Quarter Ended 30 September			9 Months Ended 30 September		
	2019	2018	Incr/ (Decr)	2019	2018	Incr/ (Decr)
Note	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Revenue	22,363	23,031	(2.9)	65,291	71,127	(8.2)
Other revenue	140	96	45.8	368	381	(3.4)
Total revenue	22,503	23,127	(2.7)	65,659	71,508	(8.2)
Costs and expenses						
Raw materials and consumables used	(14,681)	(13,711)	7.1	(43,705)	(44,815)	(2.5)
Employee benefits expense	(4,604)	(4,478)	2.8	(13,426)	(13,628)	(1.5)
Finance costs	(571)	(227)	<100	(1,123)	(687)	63.5
Depreciation	(1,451)	(591)	<100	(2,565)	(1,829)	40.2
Other operating expenses	(2,697)	(3,617)	(25.4)	(10,482)	(11,076)	(5.4)
Total costs and expenses	(24,004)	(22,624)	6.1	(71,301)	(72,035)	(1.0)
(Loss)/Profit before income tax	(1,501)	503	N/M	(5,642)	(527)	<100
Income tax expense	(78)	(70)	11.4	(225)	(88)	<100
(Loss)/Profit for the period	(1,579)	433	N/M	(5,867)	(615)	<100
Other comprehensive loss:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translating foreign operations	(606)	(439)	38.0	(662)	(767)	(13.7)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(2,185)	(6)	<100	(6,529)	(1,382)	<100
(Loss)/Profit attributable to:						
Owners of the Company	(1,271)	341	N/M	(4,745)	(239)	<100
Non-controlling interests	(308)	92	N/M	(1,122)	(376)	<100
	(1,579)	433	N/M	(5,867)	(615)	<100
Total comprehensive (loss)/profit attributable to:						
Owners of the Company	(1,877)	(98)	<100	(5,407)	(1,006)	<100
Non-controlling interests	(308)	92	N/M	(1,122)	(376)	<100
	(2,185)	(6)	<100	(6,529)	(1,382)	<100


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

	GROUP	GROUP	COMPANY	COMPANY
	30 Sep 2019	31 Dec 2018 (Audited)	30.09.2019	31 Dec 2018 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	10,583	11,537	250	282
Investments in subsidiaries	-	-	20,174	20,174
Right-of-use asset	8,578	-	-	-
Other investments	1,302	1,429	-	-
Intangible assets	3,026	3,063	-	-
Other assets	1,094	1,307	807	885
Total non-current assets	24,583	17,336	21,231	21,341
Current Assets				
Inventories	15,908	17,124	-	-
Trade and other receivables	39,740	33,882	81	66
Amounts owing by subsidiaries	-	-	23,541	24,836
Cash and bank balances	4,669	6,887	39	41
Total current assets	60,317	57,893	23,661	24,943
TOTAL ASSETS	84,900	75,229	44,892	46,284
EQUITY AND LIABILITIES				
Equity				
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	(180,860)	(176,045)	(175,650)	(173,565)
Foreign currency translation reserve	1,437	2,029	-	-
Equity attributable to owners of the parent	19,436	24,843	19,477	21,562
Non-controlling Interests	2,823	4,049	-	-
Total Equity	22,259	28,892	19,477	21,562
Non-current Liabilities				
Finance lease payables	1,029	1,481	107	130
Lease liabilities	6,631	-	-	-
Deferred tax liabilities	405	444	-	-
Total non-current liabilities	8,065	1,925	107	130
Current Liabilities				
Contract liabilities from contracts with customers	12,958	6,027	-	-
Finance lease payables	616	616	28	23
Lease liabilities	1,877	-	-	-
Bank borrowings	12,687	14,124	-	-
Trade and other payables	26,194	23,385	728	858
Derivative financial instrument	1	1	-	-
Amounts owing to subsidiaries	-	-	24,552	23,711
Income tax payables	243	259	-	-
Total current liabilities	54,576	44,412	25,308	24,592
Total Liabilities	62,641	46,337	25,415	24,722
TOTAL EQUITY AND LIABILITIES	84,900	75,229	44,892	46,284


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Notes to the Financial Statements
A. Other Operating Expenses

Other Operating Expenses include the following charges/(credits) :-

	Group			Group		
	3rd Quarter Ended 30 September			9 Months Ended 30 September		
	2019	2018	Incr/(Decr)	2019	2018	Incr/(Decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of intangible assets	12	13	(7.7)	38	38	0.0
Amortisation of long term operating lease	139	139	0.0	415	409	1.5
Amortisation of other assets	104	94	10.6	312	393	(20.6)
Amortisation on provision for onerous contract	-	(100)	(100.0)	-	(301)	(100.0)
Gain on disposal of property, plant and equipment	-	(50)	(100.0)	-	(32)	(100.0)
Loss/(Gain) on fair value revaluation of derivative instruments	1	-	N/M	-	(16)	(100.0)
Foreign exchange gain	(230)	(141)	63.1	(253)	(215)	17.7
Write-off of property, plant & equipment	-	-	0.0	6	-	N/M
Write-back of impairment loss of long-term operating lease	(90)	(91)	(1.1)	(272)	(269)	1.1
Write-back of property, plant and equipment	-	(8)	(100.0)	-	(8)	(100.0)

N/M - not meaningful

B. Income Tax

	Group			Group		
	3rd Quarter Ended 30 September			9 Months Ended 30 September		
	2019	2018	Incr/(Decr)	2019	2018	Incr/(Decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current taxation - Payable	78	70	11.4	225	88	<100
Charge for the period - Payable	78	70	11.4	225	88	<100

1(b) (ii) Aggregate Amount of Group's Borrowings and Debt Securities.

Amount Repayable :-

	30 September 2019		31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
(1) In One Year or Less, or On Demand :-	1,670	11,200	1,787	12,953
(2) After One Year :-	1,462	-	1,481	-
Total Borrowings	3,132	11,200	3,268	12,953
<i>Comprising:-</i>				
Finance Leases	1,645	-	2,097	-
Bank Borrowings	1,487	11,200	1,171	12,953
	3,132	11,200	3,268	12,953

Details of Any Collateral:

Finance lease payables amounting to S\$1,645,000 (31 December 2018: S\$2,097,000) are secured on certain of the Group's property, plant and equipment with net book value of S\$3,055,000 (31 December 2018: S\$3,255,000).

Bank borrowings amounting to S\$1,487,000 as at 30 September 2019 (31 December 2018: S\$1,171,000) are secured by a legal charge for value up to S\$2,461,000 on one of the Group's leasehold property with net book value of S\$2,304,000.


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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		Group	
	3rd Quarter Ended 30 Sept		9 Months Ended 30 Sept	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
OPERATING ACTIVITIES				
(Loss)/Profit before income tax	(1,501)	503	(5,642)	(527)
Adjustments for :-				
Depreciation of property, plant and equipment	519	591	1,633	1,829
Depreciation of right-of-use asset	932	-	932	-
Amortisation of long-term operating lease	139	139	415	409
Amortisation of other assets	104	94	312	393
Amortisation on provision for onerous contract	-	(100)	-	(301)
Amortisation of intangible asset	12	13	38	38
Gain on disposal of property, plant and equipment	-	(50)	-	(32)
Loss/(Gain) on fair value revaluation of derivative instruments	1	-	-	(16)
Interest income	(3)	(6)	(12)	(15)
Interest expense	268	227	809	687
Interest expense for lease liabilities	301	-	301	-
Unrealised foreign exchange differences	(641)	(146)	(579)	(420)
Write-off of property, plant and equipment	-	-	6	-
Write-back of impairment loss of long-term operating lease	(90)	(91)	(272)	(269)
Write-back of property, plant and equipment	-	(8)	-	(8)
Total operating cash inflow/(outflow) before movements in working capital	41	1,166	(2,059)	1,768
Changes in working capital:				
Trade and other receivables	(6,891)	2,332	(5,857)	5,888
Inventories and work-in-progress	(319)	2,694	1,216	2,163
Contract liabilities from contracts with customers	5,269	-	6,931	-
Trade and other payables	2,596	(6,184)	2,810	(9,487)
Cash generated from operations	696	8	3,041	332
Income taxes (paid)/recovered	(72)	301	(281)	(255)
Net cash flow generated from operating activities	624	309	2,760	77
INVESTING ACTIVITIES				
Interest received	3	6	12	15
Increase in long-term deposits and prepayments	(48)	(136)	(85)	(230)
Purchase of property, plant and equipment	(333)	(520)	(699)	(1,380)
Proceeds from disposal of plant and equipment	-	50	-	76
Net cash flow used in investing activities	(378)	(600)	(772)	(1,519)
FINANCING ACTIVITIES				
Interest paid	(257)	(227)	(809)	(687)
Proceeds from bank borrowings	6,372	7,180	21,204	18,195
Repayment of bank borrowings	(5,548)	(4,565)	(23,649)	(16,665)
(Repayment)/Proceeds for finance lease	(163)	237	(474)	(23)
Dividends paid by a subsidiary to a non-controlling shareholder	-	-	(104)	(195)
Repayment of lease liability	(1,303)	-	(1,303)	-
Net cash flow (used in)/generated from financing activities	(899)	2,625	(5,135)	625
Net (decrease)/increase in cash and cash equivalents	(653)	2,334	(3,147)	(817)
Cash and cash equivalents at beginning of the financial period	582	1,070	3,123	4,166
Effect of currency translation on cash and cash equivalents	(12)	(101)	(59)	(46)
Cash and cash equivalents at end of the financial period	(83)	3,303	(83)	3,303
Cash and cash equivalents comprise the followings:				
Cash and bank balances	4,669	7,039	4,669	7,039
Bank overdrafts	(4,752)	(3,736)	(4,752)	(3,736)
	(83)	3,303	(83)	3,303


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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

GROUP	Attributable to Owners of the Parent							Non-controlling interests	Total equity
	Share capital	Capital reserve	Share options reserve	General reserve	Accumulated losses	Foreign currency translation reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
YEAR 2019									
Balance at 1 January 2019	195,039	3,732	88	-	(176,045)	2,029	24,843	4,049	28,892
Effects of adopting SFRS(I) 16	-	-	-	-	(70)	-	(70)	-	(70)
Total loss for the financial period	-	-	-	-	(1,596)	-	(1,596)	(392)	(1,988)
Foreign currency translation reserve	-	-	-	-	-	145	145	-	145
Balance at 31 March 2019	195,039	3,732	88	-	(177,711)	2,174	23,322	3,657	26,979
Balance at 1 April 2019	195,039	3,732	88	-	(177,711)	2,174	23,322	3,657	26,979
Total loss for the financial period	-	-	-	-	(1,878)	-	(1,878)	(422)	(2,300)
Foreign currency translation reserve	-	-	-	-	-	(201)	(201)	-	(201)
Dividends paid to a non-controlling shareholder by a subsidiary company	-	-	-	-	-	-	-	(104)	(104)
Balance at 30 June 2019	195,039	3,732	88	-	(179,589)	1,973	21,243	3,131	24,374
Balance at 1 July 2019	195,039	3,732	88	-	(179,589)	1,973	21,243	3,131	24,374
Total loss for the financial period	-	-	-	-	(1,271)	-	(1,271)	(308)	(1,579)
Foreign currency translation reserve	-	-	-	-	-	(536)	(536)	-	(536)
Balance at 30 September 2019	195,039	3,732	88	-	(180,860)	1,437	19,436	2,823	22,259

GROUP	Attributable to Owners of the Parent							Non-controlling interests	Total equity
	Share capital	Capital reserve	Share options reserve	General reserve	Accumulated losses	Foreign currency translation reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
YEAR 2018									
Balance at 1 January 2018	195,039	3,789	88	299	(172,614)	2,777	29,378	4,640	34,018
Total loss for the financial period	-	-	-	-	(230)	-	(230)	(461)	(691)
Foreign currency translation reserve	-	-	-	-	-	(295)	(295)	-	(295)
Transfer of general reserve to accumulated losses	-	-	-	(299)	299	-	-	-	-
Balance at 31 March 2018	195,039	3,789	88	-	(172,545)	2,482	28,853	4,179	33,032
Balance at 1 April 2018	195,039	3,789	88	-	(172,545)	2,482	28,853	4,179	33,032
Total loss for the financial period	-	-	-	-	(350)	-	(350)	(7)	(357)
Foreign currency translation reserve	-	-	-	-	-	(33)	(33)	-	(33)
Dividends paid to a non-controlling shareholder by a subsidiary company	-	-	-	-	-	-	-	(195)	(195)
Balance at 30 June 2018	195,039	3,789	88	-	(172,895)	2,449	28,470	3,977	32,447
Balance at 1 July 2018	195,039	3,789	88	-	(172,895)	2,449	28,470	3,977	32,447
Total profit for the financial period	-	-	-	-	341	-	341	92	433
Foreign currency translation reserve	-	-	-	-	-	(439)	(439)	-	(439)
Balance at 30 September 2018	195,039	3,789	88	-	(172,554)	2,010	28,372	4,069	32,441

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.

COMPANY	Attributable to Owners of the Company						
	Share capital	Capital reserve	Share options reserve	General reserve	Accumulated losses	Foreign currency translation reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
YEAR 2019							
Balance at 1 January 2019	195,039	-	88	-	(173,565)	-	21,562
Total loss for the financial period	-	-	-	-	(757)	-	(757)
Balance at 31 March 2019	195,039	-	88	-	(174,322)	-	20,805
Balance at 1 April 2019	195,039	-	88	-	(174,322)	-	20,805
Total loss for the financial period	-	-	-	-	(668)	-	(668)
Balance at 30 June 2019	195,039	-	88	-	(174,990)	-	20,137
Balance at 1 July 2019	195,039	-	88	-	(174,990)	-	20,137
Total loss for the financial period	-	-	-	-	(660)	-	(660)
Balance at 30 September 2019	195,039	-	88	-	(175,650)	-	19,477

COMPANY	Attributable to Owners of the Company						
	Share capital	Capital reserve	Share options reserve	General reserve	Accumulated losses	Foreign currency translation reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
YEAR 2018							
Balance at 1 January 2018	195,039	-	88	299	(173,504)	-	21,922
Total loss for the financial period	-	-	-	-	(845)	-	(845)
Reclassified of expired Options to Retained earnings	-	-	-	(299)	299	-	-
Balance at 31 March 2018	195,039	-	88	-	(174,050)	-	21,077
Balance at 1 April 2018	195,039	-	88	-	(174,050)	-	21,077
Total loss for the financial period	-	-	-	-	(697)	-	(697)
Balance at 30 June 2018	195,039	-	88	-	(174,747)	-	20,380
Balance at 1 July 2018	195,039	-	88	-	(174,747)	-	20,380
Total loss for the financial period	-	-	-	-	(710)	-	(710)
Balance at 30 September 2018	195,039	-	88	-	(175,457)	-	19,670



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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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and shares of subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and in the subsidiary holdings of the issuer, if any, and the percentage of the aggregate number of treasury shares and shares of subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

Since 1 July 2019, no new ordinary shares have been issued by the Company.

Acma Employee Share Option Scheme 2014

As at 30 September 2019, there were outstanding options for 1,933,000 shares (30 September 2018: 1,933,000) with the exercise period from 28 November 2017 to 27 November 2021, during which option holders can subscribe for new ordinary shares at an exercise price of S\$0.35 per share.

Changes in Treasury Shares

Not applicable. The Company does not have any treasury shares.

Changes in shares of subsidiary holdings.

Not applicable.

- 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 30 September 2019, the Company had 42,390,998 (30 September 2018: 42,390,998) 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.

The Group's accounting policies and methods of computation are consistent with those disclosed in the FY2018 audited financial statements with the exception of the adoption of the new accounting standard *SFRS(I) 16: Leases* which came into effect from 1 January 2019.

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 new accounting standard *SFRS(I) 16: Leases* which came into effect on 1 January 2019, sets out the principles for the recognition, measurement, presentation and disclosure of leases and introduces a single, on-balance sheet accounting model for leases.

The Group will apply the new accounting standard on modified retrospective approach to recognise the cumulative effect of initially applying *SFRS(I) 16*. Accordingly, the comparative financial statements will not be restated.



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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		Group	
	3rd Quarter Ended 30 September		9 Months Ended 30 September	
	2019	2018	2019	2018
Earnings/(Loss) per share (cents)				
Based on weighted average number of ordinary shares	(3.0)	0.8	(11.2)	(0.6)
- weighted average number of shares ('000)	42,391	42,391	42,391	42,391
On a fully diluted basis, based on adjusted weighted average number of shares	(3.0)	0.8	(11.2)	(0.6)
- adjusted weighted average number of shares ('000)	42,391	42,391	42,391	42,391

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 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018
Net asset backing per ordinary share based on issued share capital (S\$)	0.46	0.59	0.46	0.51
Total number of issued ordinary shares ('000)	42,391	42,391	42,391	42,391

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.



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Revenue

Revenue for Q3 FY2019 decreased by S\$0.6 million (2.9%) from S\$23.0 million in Q3 FY2018 to S\$22.4 million. The lower revenue was mainly due to S\$3.8 million revenue decrease in the Group's tooling operations, set-off by increases of S\$2.6 million and S\$0.6 million from the Group's Communications, electronics, equipment and distribution business, and the Group's Metal printing and packaging services business respectively. The revenue increase of the Group's Communications, electronics, equipment and distribution business in Q3 FY2019 was due mainly to the S\$4.0 million revenue derived from sale of soft commodities to South Asian customers.

Costs and Expenses

(a) Raw materials and consumables used

Despite a marginal 2.9% reduction in revenue, raw materials and consumables used in Q3 FY2019 increased by S\$1.0 million (7.1%) from S\$13.7 million in Q3 FY2018 to S\$14.7 million. This was due to the change in sales mix during the quarter. The margin derived from the sale of soft commodities (S\$4.0 million revenue increase) are significantly lower than the margin derived from the Group's tooling operations (S\$3.8 million revenue decrease).

(b) Finance Costs

Finance costs increased by S\$0.4 million from S\$0.2 million in Q3 FY2018 to S\$0.6 million in Q3 FY2019. The increase was due mainly to adoption of the new accounting standard SFRS(I) 16 pursuant to which the Group recorded an Interest expense on lease liability of S\$0.3 million in the current quarter.

(c) Depreciation of property, plant and equipment

Depreciation increased by S\$0.9 million from S\$0.6 million in Q3 FY2018 to S\$1.5 million in Q3 FY2019. The increase was due mainly to adoption of the SFRS(I) 16 accounting standard pursuant to which the Group recorded S\$0.9 million charge in the current quarter in respect of depreciation of right-of-used asset.

(d) Other operating expenses

Other operating expenses decreased by S\$0.9 million from S\$3.6 million in Q3 FY2018 to S\$2.7 million in Q3 FY2019. The decrease recorded in Q3 FY2019 was due mainly to an adjustment of S\$1.3 million related to the adoption of the SFRS(I) 16, set-off in part by higher expenditure of S\$0.5 million attributed mainly to the Group's Tooling & plastic injection moulding business. Prior to the adoption of SFRS(I) 16, the S\$1.3 million referred to aforesaid, were shown as leasing charges.

Loss before taxation

The Group reported a loss of S\$1.5 million for Q3 FY2019 (Q3 FY2018: S\$0.5 million profit). This was due mainly to a reduction in operating margin as a result of the change in sale mix in the current quarter.

Income tax expense

The Group's income tax expense of S\$78,000 for Q3 FY2019 (Q3 FY2018: S\$70,000) related to the Group's subsidiaries which had taxable profits during the period.

Loss for the period

The Group recorded an After-tax loss of S\$1.6 million for Q3 2019 (Q3 FY2018: S\$0.4 million profit). After accounting for the share of non-controlling interests, loss attributed to the Company amounted to S\$1.3 million for Q3 FY2019 (Q3 FY2018: S\$0.3 million profit).



ACMA LTD

(Incorporated in the Republic of Singapore)

(Company Registration No.: 196500233E)

Statement of Financial Position

- (a) Property, plant and equipment decreased by S\$0.9 million from S\$11.5 million at 31 December 2018 to S\$10.6 million at 30 September 2019. The decrease was due mainly to S\$1.6 million depreciation charged, set-off by S\$0.7 million purchase of plant and equipment for the 9 months ended 30 September 2019.
- (b) Right-of-use asset of S\$8.6 million was recorded in the current quarter upon adoption in FY2019 the new accounting standard SFRS(I) 16: Leases.
- (c) Other assets reduced by S\$0.2 million from S\$1.3 million at 31 December 2018 to S\$1.1 million at 30 September 2019 due mainly to amortisation charged on a long term prepaid operating lease.
- (d) Trade and other receivables increased by S\$5.8 million from S\$33.9 million at 31 December 2018 to S\$39.7 million at 30 September 2019. The increase arose mainly from a S\$6.2 million in relation to the Group's Tooling & plastic injection moulding business.
- (e) Cash and bank balances decreased S\$2.2 million from S\$6.9 million at 31 December 2018 to S\$4.7 million at 30 September 2019. Bank borrowings decreased by S\$1.4 million from S\$14.1 million at 31 December 2018 to S\$12.7 million at 30 September 2019. Bank borrowings included bank overdrafts of S\$4.8 million at 30 September 2019 (31 December 2018: S\$3.8 million).
- (f) Finance lease payables (current and non-current) decreased by S\$0.5 million from S\$2.1 million at 31 December 2018 to S\$1.6 million at 30 September 2019. The decrease was due mainly to lease repayments of S\$0.5 million made during the 9 months' period.
- (g) Contract liabilities from contracts with customers increased by S\$7.0 million from S\$6.0 million at 31 December 2018 to S\$13.0 million at 30 September 2019. The increase was due mainly to the increase in progress billings received from customers in respect of the Group's Tooling business.
- (h) Lease liabilities of S\$8.5 million, comprising S\$6.6 million (non-current) and S\$1.9 million (current) liabilities, relate to Right-of-use asset and were recorded in the current quarter upon adoption in FY2019 the new accounting standard SFRS(I) 16: Leases.
- (i) Trade and other payables increased by S\$2.8 million from S\$23.4 million at 31 December 2018 to S\$26.2 million at 30 September 2019. The increase was due mainly to higher accounts payables of S\$2.0 million recorded in the Group's Tooling & plastic injection moulding business.

Cash flow and Working Capital

- (a) The Group had positive net working capital as at 30 September 2019 of S\$5.7 million (31 December 2018: S\$13.5 million). The decrease in net working capital was mainly due to the losses incurred for the 9 months' period.
- (b) Net cash flow generated from operating activities in Q3 FY2019 amounted to S\$0.6 million as compared to S\$0.3 million in Q3 FY2018. The positive net cash flow in Q3 FY2019 was mainly attributable to favourable working capital movements of total S\$0.7 million in the current quarter.
- (c) The Group used S\$0.4 million in its investing activities during Q3 FY2019 (Q3 FY2018: S\$0.6 million cash used). The lower cash used in Q3 FY2019 was due mainly to lower capital expenditure by S\$0.2 million spent in the current quarter.
- (d) Net cash flows used in financing activities in Q3 FY2019 amounted to S\$0.9 million (Q3 FY2018: S\$2.6 million cash generated). The net cash used during the quarter was due mainly to (a) adoption of the new accounting standard SFRS(I) 16 which resulted in the recognition for lease liability payments totaling S\$1.3 million in the current quarter, and (b) net finance lease and interest payments of S\$0.4 million, set-off by the proceeds of net bank borrowings of S\$0.8 million (Q3 FY2018: net bank borrowings and finance lease proceeds of S\$2.6 million and S\$0.2 million respectively). SFRS(I) 16: Leases which set out the principles for the recognition, measurement, presentation and disclosure of leases was adopted in FY2019.
- (e) Consequently, the Group had net bank borrowings of S\$83,000 at 30 September 2019 as compared to cash of S\$3.3 million at 30 September 2018.



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

There was no forecast or prospect statement previously disclosed to shareholders.

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.

The imposition of US tariffs on imports from China and other nations as well as impending BREXIT, have had an adverse impact on the Group's tooling operations, affecting order intake, the roll-out timeline for prospective projects as well as margins.

We do not expect any improvement in the near term conditions which are expected to remain challenging. We anticipate having to deal with continuing price pressures from customers, an increasingly competitive landscape as well as rising costs. The Group have instituted measures to reduce costs and right-size operations during this period.

The Group continues to actively explore other business opportunities which may contribute to its earnings base and add shareholder value.

DIVIDEND

11. (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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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 30 September 2019 pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (excluding transactions less than S\$100,000):

Nil.

14. Use of Proceeds from Exercise of Warrants and Issuance of New Shares

Not applicable.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company confirmed that all its directors and executive officers have executed the Appendix 7.7 Form under Rule 720 (1).

16. Negative confirmation pursuant to Rule 705(5).

We, Quek Sim Pin and Robert Low Mui Kiat, 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 9 months financial period ended 30 September 2019 to be false or misleading.

On Behalf of the Board of Directors

Quek Sim Pin
Executive Chairman

Robert Low Mui Kiat
Independent Director

By Order of the Board

Quek Sim Pin
Executive Chairman
14 November 2019