



Asian Micro Holdings Limited

HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2018

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	6 mths ended 31 December 2018 S\$'000	6 mths ended 31 December 2017 S\$'000	% Changes
Revenue	2,286	2,165	6%
Cost of Sales	(1,657)	(1,497)	11%
Gross Profit	629	668	-6%
Distribution and selling expenses	(10)	(13)	-23%
Administrative expenses	(1,022)	(1,166)	-12%
Other operating income, net	193	125	54%
Loss from operation	(210)	(386)	-46%
Financial expenses, net	(2)	(3)	-33%
Loss before taxation	(212)	(389)	-46%
Taxation	(1)	(4)	-75%
Loss for the period	(213)	(393)	-46%
Attributable to :			
Equity holders of the Company	(213)	(391)	-46%
Non-controlling interests	-	(2)	NM
Loss for the period	(213)	(393)	-46%
Other comprehensive income (net of tax) :			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(223)	(109)	105%
Total comprehensive income for the period	(436)	(502)	-13%
Attributable to :			
Equity holders of the Company	(429)	(497)	-14%
Non-controlling interests	(7)	(5)	40%
	(436)	(502)	-13%

NM: Not Meaningful

Other operating income, net mainly comprised of the following :-

* Foreign exchange gain	187	120
* Sales of scrap	-	1
* Other income	7	5

Loss for the period is derived at after charging of :-

* Depreciation	(35)	(98)
* Interest on borrowing	(3)	(3)

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

	Group		Company	
	31 December 2018 S\$'000	30 June 2018 S\$'000	31 December 2018 S\$'000	30 June 2018 S\$'000
<u>Non-Current Assets</u>				
Plant and equipment	123	158	8	11
Investment properties	530	542	-	-
Investment in subsidiaries	-	-	31	31
Other receivables	34	34	-	-
	687	734	39	42
<u>Current Assets</u>				
Development Properties	1,620	1,654	-	-
Inventories	99	19	-	-
Trade and other receivables	752	754	8	9
Prepayments	12	24	7	15
Due from subsidiaries (non-trade), net	-	-	847	1,347
Fixed deposits	201	201	-	-
Cash and bank balances	333	534	146	216
	3,017	3,186	1,008	1,587
Total Assets	3,704	3,920	1,047	1,629
<u>Current Liabilities</u>				
Trade and other payables	1,298	938	237	102
Accrued expenses	226	321	78	141
Due to related parties (non-trade), net	6	5	3	3
Loan from Director	793	818	-	-
Obligations under finance lease	22	43	22	43
Income tax payable	43	43	-	-
	2,388	2,168	340	289
Net Current Assets	629	1,018	668	1,298
<u>Non-Current Liabilities</u>				
Obligations under finance lease	37	37	37	37
Deferred tax liabilities	1	1	1	1
	38	38	38	38
Total Liabilities	2,426	2,206	378	327
Net Assets	1,278	1,714	669	1,302
<u>Equity attributable to owners of the Company</u>				
Share capital	43,433	43,433	43,433	43,433
Share option reserve	40	40	40	40
Foreign currency translation reserve	(386)	(170)	-	-
Other reserve	96	96	96	96
Accumulated losses	(42,017)	(41,804)	(42,900)	(42,267)
	1,166	1,595	669	1,302
Non-controlling interests	112	119	-	-
Total Equity	1,278	1,714	669	1,302
Total Equity and Liabilities	3,704	3,920	1,047	1,629

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

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

As at 31/12/2018		As at 30/6/2018	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
22	793	43	818

Amount repayable after one year :-

As at 31/12/2018		As at 30/6/2018	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
37	-	37	-

59	793	80	818
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Details of any collateral:

- a) The Group's trade credit facilities are secured by :
- (i) Corporate guarantee of S\$440,000 from the Company;
 - (ii) Fixed deposits of approximately S\$201,000; and
 - (iii) Joint and several guarantee of S\$440,000 from the two major shareholders of the Company (one of whom is also a director of the Company).
- b) The Group's lease obligation is secured by motor vehicle of the Company which has been fully depreciated.

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

	Group	
	6 mths ended 31 December 2018	6 mths ended 31 December 2017
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(212)	(389)
Adjustments for :		
Depreciation of plant and equipment	35	98
Exchange difference	(151)	(119)
Interest expenses	3	3
Operating loss before working capital changes	(325)	(407)
Increase in stocks	(80)	(9)
Decrease / (increase) in trade and other receivables	2	(102)
Decrease in prepayments	12	1
Increase in amount due to related parties	-	52
Increase in trade and other payables	240	285
Cash used in operations	(151)	(180)
Interest paid	(3)	(3)
Income tax paid	(1)	(1)
Net cash used in operating activities	(155)	(184)
Cash flow from investing activities		
Additional to development properties	(3)	(1)
Purchase of plant and equipment	(3)	(61)
Net cash used in investing activities	(6)	(62)
Cash flows from financing activities		
Loan from director	-	61
Repayment of finance lease obligations	(21)	(28)
Repayment of loan from director	(7)	(331)
Net cash used in financing activities	(28)	(298)
Net decrease in cash and cash equivalents	(189)	(544)
Effect of exchange rate changes in cash and cash equivalents	(12)	(12)
Cash and cash equivalents at beginning of year	534	1,288
Cash and cash equivalents at end of period	333	732
Fixed deposit pledged	201	201
Total fixed deposit, cash and bank balances	534	933

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Total equity	Attributable to owners of the Company					Non-controlling Interests
		Equity attributable to owners of the Company	Accumulated Losses	Share Capital	Share Option Reserves	Translation and other reserves	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2018 (SFRS(I) framework)	1,714	1,595	(41,804)	43,433	40	(74)	119
Net loss for the period	(213)	(213)	(213)	-	-	-	-
Other comprehensive income for the period, net of tax							
Foreign currency translation differences for foreign operations	(223)	(216)	-	-	-	(216)	(7)
Other comprehensive income for the period	(223)	(216)	-	-	-	(216)	(7)
Total comprehensive income for the period	(436)	(429)	(213)	-	-	(216)	(7)
Balance as at 31 December 2018	1,278	1,166	(42,017)	43,433	40	(290)	112

Group	Total equity	Attributable to owners of the Company					Non-controlling Interests
		Equity attributable to owners of the Company	Accumulated Losses	Share Capital	Share Option Reserves	Translation and other reserves	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2017 (FRS framework)	1,962	1,803	(41,138)	42,862	40	39	159
Cumulative effects of adopting SFRS(I)	-	-	(57)	-	-	57	-
Balance as at 1 July 2017 (SFRS(I) framework)	1,962	1,803	(41,195)	42,862	40	96	159
Net loss for the year	(645)	(609)	(609)	-	-	-	(36)
Other comprehensive income for the year, net of tax							
Foreign currency translation differences for foreign operations	(174)	(170)	-	-	-	(170)	(4)
Other comprehensive income for the year	(174)	(170)	-	-	-	(170)	(4)
Total comprehensive income for the year	(819)	(779)	(609)	-	-	(170)	(40)
Contribution by and distributions to owners							
Issuance of ordinary shares	571	571	-	571	-	-	-
Total contribution by and distributions to owners	571	571	-	571	-	-	-
Balance as at 30 June 2018	1,714	1,595	(41,804)	43,433	40	(74)	119

Company	Total equity	Share Capital	Share Option Reserves	Other reserves	Accumulated Losses
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2018	1,302	43,433	40	96	(42,267)
Net loss for the period, representing total comprehensive income for the period	(633)	-	-	-	(633)
Balance as at 31 December 2018	669	43,433	40	96	(42,900)

Company	Total equity	Share Capital	Share Option Reserves	Other reserves	Accumulated Losses
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2017	984	42,862	40	96	(42,014)
Net loss for the year, representing total comprehensive income for the year	(253)	-	-	-	(253)
Contribution by and distributions to owners					
Issuance of ordinary shares	571	571	-	-	-
Total contribution by and distributions to owners	571	571	-	-	-
Balance as at 30 June 2018	1,302	43,433	40	96	(42,267)

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 or 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 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 the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and 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.

	Company			
	31 December 2018		31 December 2017	
	No of shares ('000)	Share Capital (S\$ '000)	No of shares ('000)	Share Capital (S\$ '000)
Balance as at the beginning of the period	688,309	43,433	627,383	42,862
Assignment Shares	-	-	4,344	52
Balance as at the end of the period	688,309	43,433	631,727	42,914

As at 31 December 2018 and 31 December 2017, the Company had outstanding ESOS 2010 options, the conversion of which would result in the issue of 2,000,000 new ordinary shares. Save for such options, there are no other outstanding convertibles issued by the Company convertible into shares as at 31 December 2018 or 31 December 2017.

The Company held no treasury shares as at 31 December 2018 and 31 December 2017.

There was no subsidiary holding as at 31 December 2018 and 31 December 2017.

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 December 2018, the Company's issued and paid-up capital comprises 688,308,796 ordinary shares (30 June 2018: 688,308,796 ordinary shares). There are no treasury shares held by the Company as at 31 December 2018.

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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standing

The figures presented have not been audited or reviewed.

3 Whether the figures have been audited or reviewed, the auditors' report (including any qualification 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 has applied the same accounting policies and methods of computation in the preparation of the financial statement for the current reporting period compared with those in the audited financial statement as at 30 June 2018, except as disclosed in Note 5 below.

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 the Singapore Financial Standards (International) (“SFRS(I)”) on 1 July 2018. Accordingly, the Group has elected the following relevant optional exemption provided in SFRS(I) 1 - First-time Adoption of SFRS(I) and has adopted SFRS(I) 9 - Financial Instruments and SFRS(I) 15 - Revenue from Contracts with Customers. The adoption of the new standards does not have any significant impact on the financial statement.

The Group has applied the exemption to deem the cumulative translation differences for foreign operations to be zero and has reclassified the amount in foreign currency translation reserve at the date of transition on 1 July 2017 to opening retained earnings. As a result, an amount of S\$57,408 was adjusted against the opening retained earnings as at 1 July 2017.

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.

	The Group	
	6 mths ended 31 December 2018 S\$ cent	6 mths ended 31 December 2017 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	(0.03)	(0.06)
(b). On a fully diluted basis	(0.03)	(0.06)

Note:

a) Loss per share is calculated based on the weighted average number of ordinary shares in issue during the period ended 31 December 2018 and 31 December 2017, respectively.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the : -

- a) current financial period reported on; and
- b) immediately preceding financial year.

	31 December 2018 S\$ cents	30 June 2018 S\$ cents
Net asset value for the Group	0.19	0.25
Net asset value for the Company	0.10	0.19

8 **A performance review 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.**

INCOME STATEMENT

Revenue

Revenue had increased from S\$2.17 million to S\$2.29 million. The increase in revenue was mainly due to higher NGV related revenue which was offset by the trading revenue.

Gross Profit Margin

The Group's profit margin had decreased from 31% to 28% mainly due to trading business.

Loss for the Period

The Group had a loss of S\$0.21 million for the current financial period as compared to loss of S\$0.39 million for the previous financial period. The decrease in loss was mainly due to a decrease in administrative expenses by S\$0.14 million and an increase in other operating income by S\$0.07 million, which were offset by a lower gross profit by S\$0.04 million. Details of other operating income is on Page 1 of the announcement.

BALANCE SHEET

Non-current assets

The Group's non-current assets had decreased from S\$0.73 million as at 30 June 2018 to S\$0.69 million as at 31 December 2018. The decrease was mainly due to depreciation of plant and equipment during the period.

Current assets

The Group's current assets had decreased from S\$3.19 million as at 30 June 2018 to S\$3.02 million as at 31 December 2018. The decrease was mainly due to a decrease in cash and cash equivalents.

Current liabilities

The Group's current liabilities increased from S\$2.17 million as at 30 June 2018 to S\$2.39 million as at 31 December 2018. The increase was mainly due to trade and other payables.

Non-current liabilities

The Group's non-current liabilities remained unchanged.

CASH FLOW STATEMENT

The Group's cash and cash equivalents as at 31 December 2018 decreased by S\$0.20 million to S\$0.33 million as compared to the balance of S\$0.53 million as at 30 June 2018. The decrease was mainly due to net cash used in operating activities and financing activities.

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

Not applicable.

- 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.**

Management expects the operating business environment in the next 12 months to remain challenging, due to pricing pressure from customers and rising operational costs. However, management remains focused to enhance its operational efficiency and monitor its operating expenses in the face of economic uncertainties, to enhance the profitability of the Group's existing businesses.

Management remains cautious of unexpected economic upheavals in the global economy which may adversely affect the Company and will continue to focus on its existing business, without any major capital expenditures.

Management expects the property development environment to be challenging due to stricter regulatory control of loans from the banks. However, management will continue to seek opportunities to expand the new business segment which will subsequently generate revenue for the Group.

- 11 Dividend**

a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on? No.

b) *Corresponding Period of the Immediately Preceding Financial year*

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

c) *Date payable*

Not applicable.

d) *Books closure date*

Not applicable.

e) *Interim dividend declared and*

Not applicable.

- 12 If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.**

In view that the Company was loss making, no dividend has been declared by the Company for the period ended 31 December 2018.

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

No IPT mandate has been obtained for the period under review.

- 14 NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)**

We, Lim Kee Liew @ Victor Lim and Ng Chee Wee, being directors of Asian Micro Holdings Limited (the “Company”), do hereby confirm on behalf of the 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 statements for the first half results ended 31 December 2018 to be false or misleading in any material aspect.

- 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

By Order of the Board

Lim Kee Liew @ Victor Lim
Executive Chairman

1 February 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (“**Sponsor**”), RHT Capital Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**Exchange**”). The Company’s Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Khong Choun Mun
Telephone number: +65 6381 6757