



Asian Micro Holdings Limited

HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

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 2016 S\$'000	6 mths ended 31 December 2015 S\$'000	% Changes
Revenue	2,113	2,541	-17%
Cost of Sales	(1,402)	(1,644)	-15%
Gross Profit	711	897	-21%
Distribution and selling expenses	(23)	(27)	-15%
Administrative expenses	(970)	(1,030)	-6%
Other operating income, net	878	224	292%
Profit from operation	596	64	831%
Financial income/(expenses), net	1	(6)	NM
Profit before taxation	597	58	929%
Taxation	(2)	-	NM
Profit for the period	595	58	926%
Attributable to :			
Equity holders of the Company	549	111	395%
Non-controlling interests	46	(53)	NM
Profit for the period	595	58	926%
Other comprehensive (loss) / income (net of tax) :			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(806)	231	NM
Total comprehensive (loss) / income for the period	(211)	289	NM
Attributable to :			
Equity holders of the Company	(106)	301	NM
Non-controlling interests	(105)	(12)	775%
	(211)	289	NM

NM: Not Meaningful

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

Foreign exchange gain / (loss)	848	(156)
Loss on disposal of plant and equipment	-	(6)
Write back of allowance for stock obsolescence	-	312
Sales of scrap	23	11
Other income	7	53

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

Depreciation	(95)	(103)
Interest on borrowing	(4)	(5)

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 2016 S\$'000	30 June 2016 S\$'000	31 December 2016 S\$'000	30 June 2016 S\$'000
<u>Non-Current Assets</u>				
Plant and equipment	312	399	186	254
Trade receivables	134	159	-	-
	446	558	186	254
<u>Current Assets</u>				
Inventories	164	109	-	-
Trade and other receivables	877	834	8	10
Prepayments	31	24	8	11
Other current assets	15	19	-	-
Fixed deposits	929	923	-	100
Cash and bank balances	948	1,182	298	210
	2,964	3,091	314	331
Total Assets	3,410	3,649	500	585
<u>Current Liabilities</u>				
Trade and other payables	808	806	27	57
Accrued expenses	374	361	75	80
Due to subsidiaries (non-trade), net	-	-	1,167	675
Due to related parties (non-trade), net	176	193	3	3
Obligations under finance lease	27	55	20	39
Income tax payable	44	42	-	-
	1,429	1,457	1,292	854
Net Current Assets / (Liabilities)	1,535	1,634	(978)	(523)
<u>Non-Current Liabilities</u>				
Obligations under finance lease	127	127	121	121
Deferred tax liabilities	1	1	1	1
	128	128	122	122
Total Liabilities	1,557	1,585	1,414	976
Net Assets / (Liabilities)	1,853	2,064	(914)	(391)
<u>Equity attributable to owners of the Company</u>				
Share capital	42,862	42,862	42,862	42,862
Share option reserve	40	40	40	40
Foreign currency translation reserve	78	733	-	-
Other reserve	96	96	96	96
Accumulated losses	(40,050)	(40,599)	(43,912)	(43,389)
	3,026	3,132	(914)	(391)
Non-controlling interests	(1,173)	(1,068)	-	-
Total Equity / (Deficit)	1,853	2,064	(914)	(391)
Total Equity and Liabilities	3,410	3,649	500	585

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

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

As at 31/12/2016		As at 30/6/2016	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
27	-	55	-

Amount repayable after one year :-

As at 31/12/2016		As at 30/6/2016	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
127	-	127	-

154	-	182	-
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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 obligations are secured by motor vehicles of the company and its subsidiaries with net book value of approximately S\$187,600.

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 2016	6 mths ended 31 December 2015
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	597	58
Adjustments for :		
Write-back of allowance for stock obsolescence	-	(312)
Depreciation of plant and equipment	95	103
Loss on disposal of plant and equipment	-	6
Exchange difference	(821)	188
Interest expenses	6	5
Interest income	(7)	-
Operating (loss) / profit before working capital changes	(130)	48
(Increase) / decrease in stocks	(55)	411
Increase in trade and other receivables	(4)	(328)
Increase in prepayments	(6)	(19)
(Decrease) / increase in amount due to related parties	(17)	8
Decrease in trade and other payables	(4)	(298)
Cash used in operations	(216)	(178)
Interest paid	(6)	(5)
Interest income received	7	-
Income tax paid	-	(4)
Net cash used in operating activities	(215)	(187)
Cash flow from investing activities		
Proceeds from disposal of plant and equipment	-	20
Purchase of plant and equipment	(1)	(50)
Net cash used in investing activities	(1)	(30)
Cash flows from financing activities		
Repayment of finance lease obligations	(27)	(28)
Net cash used in financing activities	(27)	(28)
Net decrease in cash and cash equivalents	(243)	(245)
Effect of exchange rate changes in cash and cash equivalents	15	45
Cash and cash equivalents at beginning of year	1,904	1,602
Cash and cash equivalents at end of period	1,676	1,402
Fixed deposit pledged	201	224
Total fixed deposit, cash and bank balances	1,877	1,626

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	
Balance as at 1 July 2016	2,064	3,132	(40,599)	42,862	40	829	(1,068)
Net profit for the period	595	549	549	-	-	-	46
Other comprehensive loss for the period, net of tax							
Foreign currency translation differences for foreign operations	(806)	(655)	-	-	-	(655)	(151)
Other comprehensive loss for the period	(806)	(655)	-	-	-	(655)	(151)
Total comprehensive (loss) / income for the period	(211)	(106)	549	-	-	(655)	(105)
Balance as at 31 December 2016	1,853	3,026	(40,050)	42,862	40	174	(1,173)

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	
Balance as at 1 July 2015	1,679	2,679	(40,562)	42,862	40	339	(1,000)
Net loss for the year	(214)	(37)	(37)	-	-	-	(177)
Other comprehensive income for the year, net of tax							
Foreign currency translation differences for foreign operations	599	490	-	-	-	490	109
Other comprehensive income for the year	599	490	-	-	-	490	109
Total comprehensive income / (loss) for the year	385	453	(37)	-	-	490	(68)
Balance as at 30 June 2016	2,064	3,132	(40,599)	42,862	40	829	(1,068)

Company	Total deficit	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 2016	(391)	42,862	40	96	(43,389)
Net loss for the period, representing total comprehensive loss for the period	(523)	-	-	-	(523)
Balance as at 31 December 2016	(914)	42,862	40	96	(43,912)

Company	Total (deficit)/ 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 2015	(1,074)	42,862	40	96	(44,072)
Net profit for the year, representing total comprehensive income for the year	683	-	-	-	683
Balance as at 30 June 2016	(391)	42,862	40	96	(43,389)

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 numbers of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares 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.

	Company			
	31 December 2016		31 December 2015	
	No of shares ('000)	Share Capital (S\$ '000)	No of shares ('000)	Share Capital (S\$ '000)
Balance as at the beginning of the period	627,383	42,862	627,383	42,862
Balance as at the end of the period	627,383	42,862	627,383	42,862

As at 31 December 2016 and 31 December 2015, 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 2016 or 31 December 2015.

The Company held no treasury shares as at 31 December 2016 and 31 December 2015.

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 2016, the Company's issued and paid-up capital comprises 627,383,061 ordinary shares (30 June 2016: 627,383,061 ordinary shares). There are no treasury shares held by the Company as at 31 December 2016.

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 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 2016, 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 all new and revised Financial reporting Standards (“FRSs”) and interpretation of FRSs (“INT FRSs”) which are effective for the financial period beginning on or after 1 July 2016.

The adoption of the new/revised FRSs did not result in any substantial change to the Group’s accounting policies or have any significant impact on the financial statements.

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 2016 S\$ cent	6 mths ended 31 December 2015 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	0.09	0.02
(b). On a fully diluted basis	0.09	0.02

Notes:

a) Profit per share is calculated based on the weighted average number of ordinary shares in issue during the period ended 31 December 2016 and 31 December 2015, 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 2016 S\$ cents	30 June 2016 S\$ cents
Net asset value for the Group	0.30	0.33
Net liability value for the Company	(0.15)	(0.06)

Note: Net asset value for the Group excludes Non-controlling interests.

- 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 decreased from S\$2.54 million to S\$2.11 million. The decrease in revenue was mainly due to lower in trading revenue and revenue from NGV related businesses by the Singapore and Thailand subsidiaries.

Gross Profit Margin

The Group's profit margin remained unchanged at the range of 34% - 35%.

Profit for the Period

The Group had a profit of S\$0.60 million for the current financial period as compared to a profit of S\$0.06 million for the previous financial period, mainly due to net operating income of S\$0.88 million for the current financial period as compared to net operating income of S\$0.22 million for the previous financial period. This was mainly due to the unrealised exchange gain arising from recorded monetary balances denominated in foreign currencies in the current financial period. 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\$0.56 million as at 30 June 2016 to S\$0.45 million as at 31 December 2016. The decrease was mainly due to settlement of trade receivables and depreciation of plant and equipment recorded during the period.

Current assets

The Group's current assets had decreased from S\$3.09 million as at 30 June 2016 to S\$2.96 million as at 31 December 2016. The decrease was mainly due to the decrease in cash and cash equivalents offset by the increase in inventories and trade and other receivables.

Current liabilities

The Group's current liabilities remained materially unchanged.

Non-current liabilities

The Group's non-current liabilities remained materially unchanged.

CASH FLOW STATEMENT

The Group's cash and cash equivalents as at 31 December 2016 had decreased by S\$0.22 million to S\$1.68 million as compared to the balance of S\$1.90 million as at 30 June 2016. The decrease was mainly due to the increase in inventories and trade and other receivables.

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 restructuring and consolidating its existing business, without any major capital expenditures.

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.

No dividend has been paid and declared by the Company for the period ended 31 December 2016.

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 2016 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, Chief Executive Officer and Group Managing Director

08 February 2017

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.

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