



Asian Micro Holdings Limited

HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2020

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 2020 S\$'000	6 mths ended 31 December 2019 S\$'000	% Changes
Revenue	1,640	2,179	-25%
Cost of Sales	(1,110)	(1,531)	-27%
Gross Profit	530	648	-18%
Distribution and selling expenses	(14)	(10)	40%
Administrative expenses	(604)	(823)	-27%
Other operating (loss)/income, net	(100)	492	NM
(Loss)/profit from operation	(188)	307	NM
Financial expenses, net	(3)	(1)	200%
(Loss)/profit before taxation	(191)	306	NM
Taxation	-	-	NM
(Loss)/profit for the period	(191)	306	NM
Attributable to :			
Equity holders of the Company	(194)	298	NM
Non-controlling interests	3	8	-63%
(Loss)/profit for the period	(191)	306	NM
Other comprehensive income (net of tax) :			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	207	(283)	NM
Total comprehensive income for the period	16	23	-30%
Attributable to :			
Equity holders of the Company	-	25	NM
Non-controlling interests	16	(2)	NM
	16	23	-30%

NM: Not Meaningful

Other operating (loss)/income, net mainly comprised of the following :-

* Foreign exchange (loss)/gain	(210)	287
* Waiver of payables	-	201
* Other income	109	3

(Loss)/profit for the period is derived at after charging of :-

* Depreciation	(57)	(35)
* Interest expenses	(3)	(1)

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 2020 S\$'000	30 June 2020 S\$'000	31 December 2020 S\$'000	30 June 2020 S\$'000
<u>Non-Current Assets</u>				
Plant and equipment	196	209	162	189
Investment properties	526	521	-	-
Investment in subsidiaries	-	-	2,222	2,222
Other receivables	33	33	-	-
	755	763	2,384	2,411
<u>Current Assets</u>				
Development Properties	1,615	1,599	-	-
Inventories	29	55	-	-
Trade and other receivables	696	696	10	14
Prepayments	29	24	18	18
Due from subsidiaries (non-trade), net	-	-	-	-
Fixed deposits	202	202	-	-
Cash and bank balances	356	459	40	24
	2,927	3,035	68	56
Total Assets	3,682	3,798	2,452	2,467
<u>Current Liabilities</u>				
Trade and other payables	607	766	22	118
Accrued expenses	213	813	67	286
Due to subsidiaries (non-trade), net	-	-	71	-
Due to related parties (non-trade), net	5	5	3	2
Loan from Director	-	322	-	322
Lease liability	23	22	23	22
Income tax payable	46	49	-	-
	894	1,977	186	750
Net Current Assets/(Liabilities)	2,033	1,058	(118)	(694)
<u>Non-Current Liabilities</u>				
Lease liability	75	87	75	87
Deferred tax liabilities	1	1	1	1
	76	88	76	88
Total Liabilities	970	2,065	262	838
Net Assets	2,712	1,733	2,190	1,629
<u>Equity attributable to owners of the Company</u>				
Share capital	46,617	45,654	46,617	45,654
Share option reserve	40	40	40	40
Foreign currency translation reserve	(852)	(1,046)	-	-
Other reserve	(1,034)	(1,034)	(1,034)	(1,034)
Accumulated losses	(42,220)	(42,026)	(43,433)	(43,031)
	2,551	1,588	2,190	1,629
Non-controlling interests	161	145	-	-
Total Equity	2,712	1,733	2,190	1,629
Total Equity and Liabilities	3,682	3,798	2,452	2,467

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

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

As at 31/12/2020		As at 30/6/2020	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
23	-	22	322

Amount repayable after one year :-

As at 31/12/2020		As at 30/6/2020	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
75	-	87	-

98	-	109	322
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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\$202,000; 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 by the Company with net book value of approximately S\$150,600.

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 2020	6 mths ended 31 December 2019
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/profit before tax	(191)	306
Adjustments for :		
Depreciation of plant and equipment	57	35
Exchange difference	199	(294)
Waiver of payables	-	(201)
Interest expenses	3	1
Operating profit/(loss) before working capital changes	68	(153)
Decrease / (increase) in stocks	26	(1)
Decrease in trade and other receivables	-	196
(Increase) / decrease in prepayments	(5)	8
(Decrease) / increase in trade and other payables and accrued expenses	(94)	27
Cash (used in)/generated from operations	(5)	77
Interest paid	(3)	(1)
Income tax paid	(3)	-
Net cash (used in)/generated from operating activities	(11)	76
Cash flow from investing activities		
Purchase of plant and equipment	(44)	-
Net cash used in investing activities	(44)	-
Cash flows from financing activities		
Loan from director	-	110
Repayment of finance lease obligations	(11)	(22)
Share issuance expenses	(23)	-
Net cash (used in)/generated from financing activities	(34)	88
Net (decrease)/ increase in cash and cash equivalents	(89)	164
Effect of exchange rate changes in cash and cash equivalents	(14)	2
Cash and cash equivalents at beginning of year	459	330
Cash and cash equivalents at end of period	356	496
Fixed deposit pledged	202	202
Total fixed deposit, cash and bank balances	558	698

Non-cash operating and financing activities:-

1. Repayment of other payables amounting to S\$664,124 by issuing 332,062,000 ordinary shares.
2. Repayment of director's loan amounting to S\$322,000 by issuing 161,000,000 ordinary shares.

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.

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 2020	1,733	1,588	(42,026)	45,654	40	(2,080)	145
Net loss for the period	(191)	(194)	(194)	-	-	-	3
Other comprehensive income for the period, net of tax							
Foreign currency translation differences for foreign operations	207	194	-	-	-	194	13
Other comprehensive income for the period	207	194	-	-	-	194	13
Total comprehensive income for the period	16	-	(194)	-	-	194	16
Contribution by and distributions to owners							
Issuance of ordinary shares	963	963	-	963	-	-	-
Total contribution by and distributions to owners	963	963	-	963	-	-	-
Balance as at 31 December 2020	2,712	2,551	(42,220)	46,617	40	(1,886)	161

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 2019	1,888	1,799	(42,047)	45,654	40	(1,848)	89
Net profit for the year	351	21	21	-	-	-	330
Other comprehensive income for the year, net of tax							
Foreign currency translation differences for foreign operations	(241)	(232)	-	-	-	(232)	(9)
Other comprehensive income for the year	(241)	(232)	-	-	-	(232)	(9)
Total comprehensive income for the year	110	(211)	21	-	-	(232)	321
Strike-off of subsidiary	(265)	-	-	-	-	-	(265)
Total contribution by and distributions to owners	(265)	-	-	-	-	-	(265)
Balance as at 30 June 2020	1,733	1,588	(42,026)	45,654	40	(2,080)	145

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 2020	1,629	45,654	40	(1,034)	(43,031)
Net loss for the period, representing total comprehensive income for the period	(402)	-	-	-	(402)
Contribution by and distributions to owners					
Issuance of ordinary shares	963	963	-	-	-
Total contribution by and distributions to owners	963	963	-	-	-
Balance as at 31 December 2020	2,190	46,617	40	(1,034)	(43,433)

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 2019	1,837	45,654	40	(1,034)	(42,823)
Net loss for the year, representing total comprehensive income for the year	(208)	-	-	-	(208)
Balance as at 30 June 2020	1,629	45,654	40	(1,034)	(43,031)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consideration, 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 2020		31 December 2019	
	No of shares ('000)	Share Capital (S\$ '000)	No of shares ('000)	Share Capital (S\$ '000)
Balance as at the beginning of the period	1,065,183	45,654	1,065,183	45,654
Debt Conversion	493,062	986	-	-
Share issuance expense	-	(23)	-	-
Balance as at the end of the period	1,558,245	46,617	1,065,183	45,654

As at 31 December 2020 and 31 December 2019, the Company had outstanding ESOS 2010 options which upon conversion would result in the issue of 2,000,000 new ordinary shares, respectively. Save for such options, there are no other outstanding convertibles issued by the Company convertible into shares as at 31 December 2020 or 31 December 2019.

The Company did not hold any treasury shares as at 31 December 2020 and 31 December 2019.

There was no subsidiary holding as at 31 December 2020 and 31 December 2019.

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 2020, the Company's issued and paid-up capital comprises 1,558,244,795 ordinary shares (30 June 2020:1,065,182,795 ordinary shares). There are no treasury shares held by the Company as at 31 December 2020.

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 modifications or emphasis of a matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion : -

- a) Updates on the efforts taken to resolve each outstanding audit issue.

The audited financial statements for the year ended 30 June 2020 was not subjected to an adverse opinion, qualified opinion or disclaimer of opinion.

- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2020, 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 the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are effective for annual periods beginning on or after 1 July 2020 and are relevant to its operations. The adoption of the new/revised SFRS(I) did not result in any substantial change to the Group's accounting policy 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 2020 Singapore cents	6 mths ended 31 December 2019 Singapore cents
(a). Based on weighted average number of ordinary shares in issue ; and	(0.02)	0.03
(b). On a fully diluted basis	(0.01)	0.03

Note:

- a) (Loss)/profit per share is calculated based on the weighted average number of ordinary shares in issue during the period ended 31 December 2020 and 31 December 2019, 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 2020 Singapore cents	30 June 2020 Singapore cents
Net asset value for the Group	0.17	0.16
Net asset value for the Company	0.14	0.15

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\$2.18 million to S\$1.64 million. The decrease in revenue was mainly due to lower revenue generated from NGV related business, partially offset by an increase in revenue generated from trading related business, by the Singapore subsidiaries.

Gross Profit Margin

The Group's profit margin had increased from 30% to 32% mainly due to trading related business.

(Loss)/profit for the Period

The Group had a loss of S\$0.19 million for the current financial period as compared to a profit of S\$0.31 million for the previous financial period, due to other operating loss arising from foreign exchange loss, partially offset by a decrease in administrative expenses due to waiver of directors' remuneration. Details of other operating loss is on Page 1 of the announcement.

BALANCE SHEET

Non-current assets

The Group's non-current assets had decreased from S\$0.76 million as at 30 June 2020 to S\$0.75 million as at 31 December 2020. The decrease was mainly due to depreciation of plant and equipment.

Current assets

The Group's current assets had decreased from S\$3.04 million as at 30 June 2020 to S\$2.93 million as at 31 December 2020. The decrease was mainly due to cash and bank balances.

Current liabilities

The Group's current liabilities decreased from S\$1.98 million as at 30 June 2020 to S\$0.89 million as at 31 December 2020. The decrease was mainly due to debt capitalisation of prior year directors' remuneration and loan from director and waiver of current year directors' remuneration.

Non-current liabilities

The Group's non-current liabilities had decreased by S\$0.01 million as at 31 December 2020, as compared to 30 June 2020. The decrease was mainly due to repayment of lease liability.

CASH FLOW STATEMENT

The Group's cash and cash equivalents as at 31 December 2020 decreased by S\$0.14 million to S\$0.36 million as compared to the balance of S\$0.50 million as at 31 December 2019. The decrease was mainly due to net cash used in operating, investing 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 global economic uncertainties as a result of the impact of the COVID-19 outbreak.

Our trading related business has benefited from the strong demand from the hard disk drive industries whereas our NGV related business remains challenging due to the impact of COVID-19 pandemic on the travel industry.

Despite the challenging market condition in which the businesses operate, the Group continues its focus on operational efficiency, cost control, cash conservation and ensuring sustainability of its existing businesses.

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/recommended, a statement to that effect, and the reason(s) for the decision.

No dividend has been declared by the Company for the period ended 31 December 2020, as the Company wishes to conserve cash so as to ensure sufficiency of funds for its daily business and operational needs.

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)

Having considered, including but not limited to, the following:

- whether the financial statements provide a balance and fair value of any material factors that have affected the Company's business conditions and financial position; and
- all material information has been assessed to ensure reliability of the financial statement,

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 2020 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

05 February 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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 Nathaniel C.V. - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com