



Asian Micro Holdings Limited

PROFORMA HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2007

PART I - Information required for announcement of half year results

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

	Group		
	S\$'000		% Change
	6 mths ended 31/12/2007	6 mths ended 31/12/2006	
Turnover	11,104	11,338	-2%
Cost of Sales	(8,951)	(7,883)	14%
Gross Profit	2,153	3,455	-38%
Distribution & selling expenses	(541)	(720)	-25%
Administrative expenses	(2,103)	(1,640)	28%
Other operating income	1,519	1,107	37%
Other operating expenses	(2,214)	(1,119)	98%
(Loss) / Profit from operations	(1,186)	1,083	-210%
Financial expenses	(179)	(222)	-19%
Financial income	35	38	-8%
Gain on disposal of associated company	9	-	NM
Share of (loss) / profit of Associated Company	(1)	15	-107%
(Loss) / Profit before taxation	(1,322)	914	-245%
Taxation	-	-	NM
(Loss) / Profit for the period	(1,322)	914	-245%
Attributable to :			
Equity holders of the company	(1,345)	945	-242%
Minority interest	23	(31)	NM
	(1,322)	914	-245%

Note : NM - Not Meaningful

(Loss)/ profit after taxation is derived at after (charging) / crediting of :-

* Interest on borrowings	(137)	(192)
* Depreciation	(867)	(738)
* Net foreign exchange (loss)/ gain	(495)	241
* Gain on disposal of property	637	-
* Write-back of provision for doubtful debts	-	1
* Consideration paid for transfer of technology for setting up of a new subsidiary	(400)	-

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

	Group		Company	
	31/12/2007 S\$'000	30/6/2007 S\$'000	31/12/2007 S\$'000	30/6/2007 S\$'000
<u>Non-Current Assets</u>				
Property, plant & equipment	6,801	9,464	-	-
Intangible assets	752	752	-	-
Investment in subsidiaries	-	-	5,579	4,929
Investment in associated company	260	469	-	-
Investment property	2,600	2,600	-	-
	10,413	13,285	5,579	4,929
<u>Current Assets</u>				
Inventories	3,482	2,247	-	-
Trade receivables	4,600	3,793	-	-
Other receivables & deposit	878	583	29	116
Prepayment	333	97	-	-
Tax recoverable	-	-	-	36
Due from subsidiaries (NT)	-	-	7,003	4,850
Due from affiliated companies (NT)	21	142	-	-
Due from affiliated companies (T)	64	67	-	-
Due from related party (T)	200	-	-	-
Due from related party (NT)	153	-	-	-
Due from a director	19	120	-	-
Fixed deposits	3,671	2,146	1,862	1,836
Cash and bank balances	2,036	1,798	318	417
	15,457	10,993	9,212	7,255
<u>Current Liabilities</u>				
Bank overdrafts	86	96	-	-
Trade payables	2,576	1,961	-	-
Other payables	876	1,860	429	377
Other liabilities	1,454	1,227	-	366
Due to director (NT)	13	103	-	-
Due to affiliated companies (NT)	132	255	-	-
Due to related party (NT)	362	-	281	-
Bills payable to banks	812	372	-	-
Interest bearing loan & borrowings	2,210	2,479	441	441
Provision for taxation	164	161	(36)	-
	8,685	8,514	1,115	1,184
Net current assets	6,772	2,479	8,097	6,071
<u>Non-current liabilities</u>				
Interest-bearing loans & borrowings	2,101	2,725	-	-
Deferred tax liability	178	156	1	1
	2,279	2,881	1	1
Net Assets	14,906	12,883	13,675	10,999
<u>Represented by :</u>				
Share capital	36,576	33,939	36,576	33,939
Share option reserve	71	24	71	24
Premium paid on acquisition of MI	(638)	(638)	-	-
Translation reserve	(964)	(1,564)	-	-
Accumulated losses	(20,529)	(19,184)	(22,972)	(22,964)
	14,516	12,577	13,675	10,999
Minority interest	390	306	-	-
Total Equity	14,906	12,883	13,675	10,999
	-	-	-	-

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

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

As at 31/12/2007		As at 30/6/2007	
Secured	Unsecured	Secured	Unsecured
2,295,921	0	2,574,320	0

Amount repayable after one year :-

As at 31/12/2007		As at 30/6/2007	
Secured	Unsecured	Secured	Unsecured
2,101,045	0	2,724,735	0

4,396,966	0	5,299,055	0
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Details of any collateral :

The Group's term loans / bank overdrafts are secured by :

- 1 a legal mortgage over a subsidiary's investment property valued at S\$2.6 million ;
- 2 a legal mortgage over a property of affiliated company, American Converters Industries
- 3 a continuing corporate guarantee of S\$4.11 million from the Company ;
- 4 a legal mortgage over a subsidiary's freehold land and leasehold building with a net book value of approximately S\$0.33 million and S\$0.40 million.
- 5 a subsidiary's machineries with a carrying amount of approximately S\$0.51 million.

The Group's short term bank loans are secured by :

- 1 a continuing corporate guarantee of S\$5.2 million from the Company ;
- 2 fixed deposits of approximately S\$2.15 million which are pledged to a bank and maintained by the Company.

The Group's lease obligations are secured by :

- 1 machinery and equipment and motor vehicles of the Company with net book values of approximately S\$0.05 million and S\$0.37 million.

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

Cash flows from operating activities

(Loss) / Profit before taxation

Adjustments :

Depreciation of property, plant & equipment
 Gain on disposal of property, plant & equipment
 Gain on disposal of associated company
 Interest expense
 Interest income
 Write-back of allowance for doubtful debts
 Consideration paid for transfer of technology for setting up of a new subsidiary
 Share of associated company loss / (profit)
 Share-based payment expenses
 Currency translation

Operating (loss) / profit before working capital changes

Increase in stocks
 Increase in trade & other receivables
 Decrease in amount due from associated companies
 Increase in amount due from affiliated company (trade)
 (Increase) / Decrease in amount due from affiliated company (non-trade)
 (Decrease) / increase in trade and other payables
 Increase in bills payable to banks
 Increase / (decrease) in amount due to directors (non-trade)
 Increase / (decrease) in amount due to affiliated companies (non-trade)

Cash generated from operations

Interest paid
 Interest income received
 Income taxes paid

Net cash (used in) / from operating activities

Cash flow from investing activities

Proceed from disposal of property, plant & equipment
 Proceed from disposal of associated company
 Purchase of property, plant & equipment
 Purchase of investment property
 Proceed from disposal of associated company

Net cash from / (used in) investing activities

Cash flows from financing activities

Pledge of fixed deposits
 Proceeds from issuance of new shares
 Payment of dividend on ordinary shares
 Proceeds from loans & borrowings
 Repayment of loans & borrowings
 Repayment of finance lease obligations

Net cash from / (used in) financing activities

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

Group	
6 mths ended 31/12/2007	6 mths ended 31/12/2006
S\$'000	S\$'000
(1,322)	914
867	738
(637)	-
(10)	(40)
179	222
(35)	(38)
-	(1)
400	-
1	(15)
47	14
690	(608)
180	1,186
(1,235)	(586)
(1,338)	(837)
-	7
(197)	(12)
(32)	9
(143)	730
440	319
12	(33)
239	(9)
(2,074)	774
(179)	(222)
35	38
-	(261)
(2,218)	329
3,617	-
-	1,198
(1,277)	(898)
-	(677)
214	-
2,554	(377)
(26)	-
2,237	-
-	(320)
-	300
(883)	(402)
83	(119)
1,411	(541)
1,747	(589)
1,722	1,957
3,469	1,368

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	Share Capital	Translation Reserve	Share Option Reserves	Premium Paid on Acquisition MI	Accumulated Losses	Total	Minority Interest	Total Equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2006	33,747	(133)	77	(638)	(20,407)	12,646	431	13,077
Currency translation differences	-	(632)	-	-	0	(632)		(632)
Net income recognised directly in equity	-	(632)	-	-	0	(632)		(632)
Net profit for the period					945	945	(31)	914
Total recognised income and expenses in the period	-	(632)	-	-	945	313	(31)	282
Grant of equity-settled share options to employees	-	-	14	-	0	14		14
Dividend on ordinary shares					(320)	(320)		(320)
Balance as at 31 Dec 2006	33,747	(765)	91	(638)	(19,782)	12,653	400	13,053

Balance as at 30 June 2007	33,939	(1,564)	24	(638)	(19,184)	12,577	306	12,883
Currency translation differences		600				600	61	661
Net income recognised directly in equity	-	600	-	-	0	600	61	661
Net loss for the period	-	-	-	-	(1,345)	(1,345)	23	(1,322)
Total recognised income and expenses in the period	-	600	-	-	(1,345)	(745)	84	(661)
Shares issued during the period	2,400	-	-	-	0	2,400		2,400
Grant of equity-settled share options to employees	-	-	47	-	0	47		47
Exercise of employee share options	237	-	-	-	0	237		237
Balance as at 31 Dec 2007	36,576	(964)	71	(638)	(20,529)	14,516	390	14,906

1(d)(i)

Company \$'000	Share Capital \$'000	Share Premium \$'000	Share Option Reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2006	33,747	-	77	(23,445)	10,379
Net profit for the period	-	-	-	52	52
Total recognised income and expenses in the period	-	-	-	52	52
Grant of equity-settled share options to employees	-	-	14	-	14
Dividend on ordinary shares	-	-	-	(320)	(320)
Balance as at 31 Dec 2006	33,747	-	91	(23,713)	10,125

Balance as at 30 June 2007	33,939	-	24	(22,964)	10,999
Net profit for the period	-	-	-	(8)	(8)
Total recognised income and expenses in the period	-	-	-	(8)	(8)
Shares issued during the period	2,400	-	-	-	2,400
Grant of equity-settled share options to employees	-	-	47	-	47
Exercise of employee share options	237	-	-	-	237
Balance as at 31 Dec 2007	36,576	-	71	(22,972)	13,675

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 well as the number of share held as treasury shares, if any, against the total number of issued shares excluding 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.

During the period, the Company had issued total of 22,385,000 ordinary shares as follow :

1) Exercise of options granted by the Company under the Employees' Share Option Scheme	3,189,000
2) Issue of shares for consideration of transfer of technology for setting up of a new subsidiary	3,692,000
3) Issue of shares for private placement	15,504,000
	<u>22,385,000</u>

As at 31 December 2007, the Company's issued and paid-up capital comprises 344,795,487 ordinary shares. In addition, there were 10,732,000 unissued ordinary shares under options granted to eligible employees under the Company's Employees' Share Option Scheme.

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

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 as in the Group's most recently audited financial statements for the financial year ended 30 June 2007.

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.

Not applicable.

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 months ended 31/12/2007 S\$ cent	6 months ended 31/12/2006 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	(0.41)	0.30
(b). On a fully diluted basis	(0.41)	0.29

Note :

(a) .Loss per share is calculated based on the weighted average number of ordinary share in issue during the period ended 31 December 2007.

(b). Loss per share on a fully diluted basis is computed based on the weighted average number of shares during the period adjusted to assume conversion of all potential dilutive ordinary shares.

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.**

	31/12/2007 S\$ cents	30/6/2007 S\$ cents
Net asset value for the Group	3.99	3.90
Net asset value for the Company	3.97	3.41

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.

Income Statement

Revenue

The Group had recorded revenue of S\$11.10 million, or 2% decrease as compared to the last corresponding period. Revenue from tray recycling operation in Singapore, Suzhou and Wuxi, China were severely affected in the reporting period due to rationalisation of Maxtor's products by Seagate following the acquisition.

Fortunately, the sharp drop in revenue from tray recycling activities was mitigated substantially by increase of revenue generated by the Group's new business activities of Natural Gas Vehicle ("NGV") Conversion Centres from its new subsidiary in Thailand and trading activities of NGV related products from its subsidiary in Singapore and Thailand.

Gross profit

The Group's gross profit decreased by 38% as compared to last corresponding period to S\$2.15 million. The fixed operation cost, especially for subsidiaries located in China and request from major customers on 'cost-down' exercise has further resulted in lower gross profit in the reporting period.

Profit from operation

The decrease in **distribution and selling expenses** was mainly due to lower freight and transportation expenses resulted from lower business activities of recycling and recovery from plastics related waste division in the reporting period.

The Group has recorded higher **administrative expenses** due to inclusion of expenses incurred by the Group's new facilities set in in Wuxi Asian Brite Technology Co.,Ltd., coupled with the pre-operating expenses incurred by the new business activities of Natural Gas Vehicle ("NGV") Conversion Centres in Thailand, namely SO NGV (Thailand) Co., Ltd.

The Group has generated higher **other operating income** mainly due to net proceed from disposal of property at 21 Tuas South Street 1, Singapore 638032, in the reporting period.

Other operating expenses has increased substantially in the reporting period mainly due to the amount paid to a shareholder in Thailand for transfer of technology and technical management know-how for the Group's NGV business activities in Thailand, which was charged to profit & loss accounts. The Group also incurred net unrealised exchange loss in the reporting period.

Profit before taxation

Financial expenses decreased by 19% from S\$0.22 million to S\$0.18 million. This was principally due to lower borrowing cost resulted from the disposal of property at No 21 Tuas South Street 1, Singapore in the reporting period.

The loss before taxation, after taken into consideration of share of profit of associated companies amounted to S\$1.32 million as compared to profit of S\$0.91million in previous corresponding period.

Taxation

No provision of taxation was recorded in the reporting period mainly due to utilisation of tax losses brought forward.

Net loss attributable to shareholders

Corresponding to the lower business revenue and factors stated above, the net loss attributed to equity shareholders amounted to S\$1.34 million as compared to profit of S\$0.95 million in last corresponding period.

Balance Sheet

The Group's net current assets has increased from S\$2.48 million to S\$6.77 million mainly due to higher inventory and trade receivables balances as at end of reporting period.

The net proceed which was placed to fixed deposit with financial institution from disposal of property at 21 Tuas South Street 1, Singapore also attributed to higher net current assets as at end of reporting period.

Concurrently, the Group's non-current liabilities has decreased from S\$2.88 million to S\$2.28 million mainly due to lower bank borrowing resulted from the disposal of 21 Tuas South Street 1.

As a result from above mentioned, the Group's net assets as at end of reporting period has increased from S\$12.88 million to S\$14.91 million.

Cash Flow Statement

The Group's cash and cash equivalent as at 31 December 2007 increased by S\$2.10 million as compared to 31 December 2006. This was mainly due to the proceed from disposal of a property, private placement and exercise of Employee Share Option Scheme in the reporting period.

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

New Business Activity - Natural Gas Vehicle Conversion Business

The Group had during the reporting period entered into a Joint Venture Investment Agreement for the setting up of natural gas conversion vehicle ("NGV") conversion centres in Thailand. A subsidiary company, S.O. NGV (Thailand) Co., Ltd. ("SO NGV") has been incorporated in July 2007.

SO NGV has set up three conversion centres located in Wangnoi, Korat and Chiangmai of Thailand within three months from July 2007 to meet the increasing demand of the conversion system in the region, whereby it converts diesel or petrol vehicles to run on pure natural gas or diesel/petrol supplemented with up to 50% natural gas.

In addition, the Company has also entered into a Memorandum of Understanding with a Malaysia registered company, namely Suria Professional Services Sdn Bhd, in September 2007 for a 30% stake holdings in the company for its existing natural gas vehicle conversion business in Kuala Lumpur and Johor Bahru, Malaysia.

In addition to Thailand and Malaysia, the Group has also registered and set up a company in Singapore, namely SO NGV (S) Pte Ltd, to cater for natural gas vehicle conversion business in Singapore. The conversion centre has since end January 2008, commenced conversion activities for passenger cars at 8 Penjuru Place, #01-41 Singapore 608780.

The Company has also embarked on an aggressive plan to import NGV related products, such as compressed natural gas ("CNG") engines, CNG gas cylinders into Singapore, Thailand and Malaysia riding on the conversion business. The Company has also established relationships with CNG engines and NGV related components manufacturers in Europe and China to secure long-term supply and distributorships.

The Group will aggressively seek growth opportunities in the oil and gas related industries, particularly in the setting up of more NGV conversion centres in Thailand and Malaysia.

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 paid for the current reporting period.

Not applicable

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

No dividend has been paid and declared by the Company for the 6 months ended 31 December 2007.

13 Interested Person Transactions

Not applicable

14 Confirmation by the Board

We, Lim Kee Liew @ Victor Lim and Leong Lai Heng, being two 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 statement for first half results ended 31 December 2007 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Victor Lim
Group Managing Director

Leong Lai Heng
Director

PART II - Additional information required for full year announcement

- 15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 17 A breakdown of sales**

Not applicable.

- 18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows : -**

Not applicable.

By Order of the Board
Victor Lim
Group Managing Director
14th February 2008