



Asian Micro Holdings Limited

PROFORMA HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2008

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		% Change
	S\$'000		
	6 mths ended 31/12/2008	6 mths ended 31/12/2007	
Revenue	9,294	10,353	-10%
Cost of Sales	(7,396)	(8,395)	-12%
Gross Profit	1,898	1,958	-3%
Distribution & selling expenses	(836)	(500)	67%
Administrative expenses	(1,709)	(2,051)	-17%
Other operating income	851	1,173	-27%
Other operating expenses	(1,017)	(2,177)	-53%
Loss before tax from continuing operation	(813)	(1,597)	-49%
Financial expenses	(126)	(176)	-28%
Financial income	23	35	-34%
Gain on disposal of an associated company	-	9	NM
Loss on disposal of a subsidiary	(31)	-	
Share of profit / (loss) of associated companies	16	(1)	-1700%
Loss before taxation from continuing Operations	(931)	(1,730)	-46%
Taxation	48	-	NM
Loss from continuing operations, net of tax	(883)	(1,730)	-49%
Profit from discontinued operations, net of tax	-	408	-100%
Loss for the period	(883)	(1,322)	-33%
Attributable to :			
Equity holders of the company	(847)	(1,345)	-37%
Minority interest	(36)	23	NM
	(883)	(1,322)	-33%

Note : NM - Not Meaningful

Loss from continuing operation, net of tax is derived at after (charging) / crediting of :-

* Depreciation	(589)	(817)
* Doubtful debts written back	161	-
* Consideration paid for transfer of technology for setting up a new subsidiary	-	(400)
* Gain on disposal of property	-	637
* Interest on borrowings	(98)	(134)
* Loss on disposal of plant & equipment	(49)	-
* Loss on disposal of a subsidiary	(31)	-
* Net foreign exchange gain / (loss)	274	(508)
* Provision for obsolete inventory	(16)	-
* Rental income from investment property	95	213

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	
	31/12/2008 S\$'000	30/6/2008 S\$'000	31/12/2008 S\$'000	30/6/2008 S\$'000
Non-Current Assets				
Property, plant & equipment	4,974	5,183	-	-
Investment in subsidiaries	-	-	850	1,012
Investment in associated company	402	353	85	85
Investment property	-	3,200	-	-
	5,376	8,736	935	1,097
Current Assets				
Inventories	5,025	3,929	-	-
Trade receivables	3,215	3,319	-	-
Other receivables & deposits	875	1,140	16	68
Tax recoverable	89	38	37	-
Other current assets	-	93	-	-
Due from subsidiaries (NT)	-	-	3,586	3,350
Due from affiliated companies (NT)	39	5	-	-
Due from affiliated companies (T)	309	60	-	-
Due from associated company (T)	235	382	-	-
Due from related party (T)	790	775	-	-
Due from related party (NT)	-	271	-	-
Due from a director	-	25	-	-
Fixed deposits	603	517	211	207
Disposal group classified as held for sale	-	185	-	-
Cash and bank balances	1,585	1,459	88	23
	12,765	12,198	3,938	3,648
Current Liabilities				
Bank overdrafts	-	275	-	-
Trade & other payables	4,960	3,202	441	349
Due to director (NT)	11	12	-	-
Due to affiliated companies (T)	18	-	-	-
Due to affiliated companies (NT)	27	132	-	-
Due to associated company (T)	-	55	-	-
Due to related party (NT)	-	559	-	-
Bills payable to banks	703	1,462	-	-
Interest bearing loan & borrowings	259	639	-	-
Liabilities directly associated with disposal	-	70	-	-
Provision for taxation	197	170	-	-
	6,175	6,576	441	349
Net current assets	6,590	5,622	3,497	3,299
Non-current liabilities				
Interest-bearing loans & borrowings	178	1,611	-	-
Deferred tax liability	68	139	1	1
	246	1,750	1	1
Net Assets	11,720	12,608	4,431	4,395
Represented by :				
Share capital	36,653	36,653	36,653	36,653
Share option reserve	236	276	236	276
Premium paid on acquisition of MI	(638)	(638)	-	-
Translation reserve	559	594	-	-
Accumulated losses	(25,473)	(24,681)	(32,458)	(32,534)
	11,337	12,204	4,431	4,395
Minority interest	383	404	-	-
Total Equity	11,720	12,608	4,431	4,395
	-	-	-	-

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

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

As at 31/12/2008		As at 30/6/2008	
Secured	Unsecured	Secured	Unsecured
259	-	914	-

Amount repayable after one year :-

As at 31/12/2008		As at 30/6/2008	
Secured	Unsecured	Secured	Unsecured
178	-	1,611	-
437	-	2,525	-

Details of any collateral :

a) The Group's trade credit facilities and banker guarantees are secured by fixed deposits of approximately S\$0.48 million pledged to a bank.

b) The Group's lease obligations are secured by machinery and motor vehicles of its subsidiaries with net book values of approximately S\$0.02 million and S\$0.15 million respectively.

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	
	6 mths ended 31/12/2008	6 mths ended 31/12/2007
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before taxation from continuing operations	(931)	(1,730)
Profit before tax from discontinued operation	-	408
Loss before taxation	(931)	(1,322)
Adjustments :		
Depreciation of property, plant & equipment	589	867
Loss / (Gain) on disposal of property, plant & equipment	49	(637)
Gain on disposal of associated company	-	(10)
Loss on disposal of subsidiary	31	-
Interest expense	98	179
Interest income	(23)	(35)
Provision for obsolete inventories	16	-
Doubtful debts written back	(161)	-
Consideration paid for transfer of technology for setting up of a new subsidiary	-	400
Share of associated company (profit) / loss	(16)	1
Share-based payment expenses	15	47
Currency translation	(558)	690
Operating (loss) / profit before working capital changes	(891)	180
Increase in inventories	(1,111)	(1,235)
Increase / (Decrease) in trade & other receivables	578	(1,338)
Decrease in amount due from associated companies	147	-
Increase in amount due from affiliated company (trade)	(27)	(229)
Increase / (Decrease) in trade and other payables	1,758	(143)
(Decrease) / Increase in bills payable to banks	(759)	440
Increase in amount due to directors (non-trade)	25	12
Decrease in due to associated companies	(55)	-
(Decrease) / Increase in amount due to affiliated companies (non-trade)	(647)	239
Cash used in operations	(982)	(2,074)
Interest paid	(98)	(179)
Interest income received	23	35
Income tax refund	2	-
Income taxes paid	(48)	-
Net cash used in operating activities	(1,103)	(2,218)
Cash flow from investing activities		
Proceed from disposal of property, plant & equipment	411	3,617
Proceed from disposal of subsidiary	129	-
Purchase of property, plant & equipment	(336)	(1,092)
Proceed from disposal of investment property	3,200	-
Proceed from disposal of associated company	-	214
Net cash from investing activities	3,404	2,739
Cash flows from financing activities		
Pledge of fixed deposits	15	(26)
Proceeds from issuance of new shares	-	2,237
Repayment of loans & borrowings	(1,622)	(883)
Repayment of finance lease obligations	(191)	(102)
Net cash (used in) / from financing activities	(1,798)	1,226
Net increase in cash and cash equivalents	503	1,747
Cash and cash equivalents at beginning of period	1,202	1,722
Cash and cash equivalents at end of period	1,705	3,469
Cash at the end	2,188	5,621
Less: Fixed deposit pledged	(483)	(2,152)
Cash and cash equivalents as at 31 Dec	1,705	3,469
Discontinued operation	-	-
Cash and cash equivalents, including discontinued operation at end of the period	1,705	3,469

- (c)(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 \$'000	Share Capital \$'000	Share Option Reserves \$'000	Translation Reserve \$'000	Premium Paid on Acquisition MI \$'000	Accumulated Losses \$'000	Total \$'000	Minority Interest \$'000	Total Equity \$'000
Balance as at 1 July 2008	36,653	276	594	(638)	(24,681)	12,204	404	12,608
Currency translation differences	-	-	(35)	-	-	(35)	15	(20)
Net income recognised directly in equity	-	-	(35)	-	-	(35)	15	(20)
Net loss for the period	-	-	-	-	(847)	(847)	(36)	(883)
and expenses in the period	-	-	(35)	-	(847)	(882)	(21)	(903)
Grant of equity-settled share options to employees	-	15	-	-	-	15	-	15
Cancellation of share options to employees	-	(55)	-	-	55	-	-	-
Balance as at 31 Dec 2008	36,653	236	559	(638)	(25,473)	11,337	383	11,720

Group \$'000	Share Capital \$'000	Share Option Reserves (restated) \$'000	Translation Reserve \$'000	Premium Paid on Acquisition MI \$'000	Accumulated Losses (restated) \$'000	Total \$'000	Minority Interest \$'000	Total Equity \$'000
Balance as at 1 July 2007								
-As previously reported	33,939	24	(1,564)	(638)	(19,184)	12,577	306	12,883
-Understatement of share option expenses		52			(52)			
-As restated	33,939	76	(1,564)	(638)	(19,236)	12,577	306	12,883
Currency translation differences	-	-	600	-	-	600	61	661
Net income recognised directly in equity	-	-	600	-	-	600	61	661
Net loss for the period	-	-	-	-	(1,345)	(1,345)	23	(1,322)
and expenses in the year	-	-	600	-	(1,345)	(745)	84	(661)
Shares issued during the year	2,366	-	-	-	-	2,366	-	2,366
Grant of equity-settled share options to employees	-	81	-	-	-	81	-	81
Exercise of employee share options	271	(34)	-	-	-	237	-	237
Balance as at 31 Dec 2007	36,576	123	(964)	(638)	(20,581)	14,516	390	14,906

1(d)(i)

Company \$'000	Share Capital \$'000	Share Option Reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2008				
-As previously reported	36,653	276	(32,534)	4,395
Net loss for the period	-	-	21	21
Total recognised income and expenses during the period				
	-	-	21	21
Share option expenses	-	15		15
Cancellation of employee share options	-	(55)	55	-
Balance as at 31 Dec 2008	36,653	236	(32,458)	4,431

Company \$'000	Share Capital \$'000	Share Option Reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2007				
As previously stated	33,939	24	(22,964)	10,999
Understatement of share option expenses	-	52	(52)	-
As restated	33,939	76	(23,016)	10,999
Net loss for the period	-	-	(8)	(8)
Total recognised income and expenses in the period				
	-	-	(8)	(8)
Shares issued during the period	2,366	-	-	2,366
Grant of equity-settled share options to employees	-	81	-	81
Exercise of employee share options	271	(34)	-	237
Balance as at 31 Dec 2007	36,576	123	(23,024)	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 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.

The number of unissued ordinary share under options in relation to the Company's Employee Share Option Scheme outstanding as at 31 December 2008 is 9,538,000.

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 2008, the Company's issued and paid-up capital comprises 344,795,487 ordinary shares (30 June 2008: 344,795,487 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

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 2008.

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 31/12/2008 S\$ cent	6 months ended 31/12/2007 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	(0.25)	(0.41)
(b). On a fully diluted basis	(0.25)	(0.41)

Note :

(a) .Loss per share is calculated based on the weighted average number of ordinary share in issue during the period ended 31 December 2008

(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.

	31/12/2008 S\$ cents	30/06/2008 S\$ cents
Net asset value for the Group	3.39	3.66
Net asset value for the Company	1.29	1.27

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

Revenue had decreased by S\$1.1 million to S\$9.3 million for the six months period ended 31 December 2008. The decrease in revenue was mainly due to a 39% decrease in revenue from the Group's tray recycling business and a 11% decrease in revenue from the Group's clean room packaging manufacturing business. The decrease in revenue from the Group's tray recycling business and the Group's clean room packaging manufacturing business were mainly due to the downturn of the global economy.

The decrease in the Group's revenue was offset by a significant increase in revenue from the Group's Natural Gas Vehicle ("NGV") related business during the financial period as compared to the last corresponding financial period as the Group's NGV related business was still at infant stage in the last corresponding financial period.

Gross profit margin

The Group's gross profit margin had increased slightly by 1.5% to 20.4%. The slight increase in the Group's gross profit margin was mainly due to the cost cutting measures implemented by the Group during the financial period.

Loss from continuing operations

The Group had incurred a loss from continuing operations of S\$0.9 million for this financial period as compared to a loss of S\$1.7 million in the last corresponding financial period. The main reasons for the decrease in the loss from continuing operations for this financial period were as follows:

a) A decrease in administrative expenses

Administrative expenses had decreased by S\$0.34 million to S\$1.7 million for this financial period. The decrease in administrative expenses was mainly due to the cost cutting measures implemented by the Group during the financial period. As part of the cost cutting measures, the Group had reduced its headcount from 531 to 328 in the 2nd quarter of this financial year.

b) A decrease in other operating expenses

Other operating expenses had decreased by S\$1.1 million. The decrease in other operating expenses was mainly due to a foreign exchange gain of S\$0.3 million made in this financial period as compared to a S\$0.5 million foreign exchange loss incurred in the last corresponding financial period and the absence of the S\$0.4 million technology transfer costs incurred for the Group's NGV related business in the last financial period.

c) A decrease in other operating income and an increase in the distribution and selling expenses

The decrease in the loss from continuing operations was offset by a S\$0.3 million decrease in other operating income and a S\$0.34 million increase in the distribution and selling expenses in this financial period as compared to the last corresponding financial period. The decrease in other operating income was mainly due to the absence of gain on disposal of a Group's property in the last financial period and the increase in the distribution and selling expenses was mainly due to the increase in business activities of the Group's NGV related business in this financial period.

Balance Sheet

Non-current assets

The Group's non-current assets had decreased by S\$3.4 million to S\$5.4 million as at 31 December 2008. The decrease in the Group's non-current assets was mainly due to the decrease in the net book value the Group's property, plant and equipment and the sales of an investment property during this financial period. The decrease in property plant and equipment is mainly due to the sales of plant and equipment and depreciation of the property, plant and equipment during the financial period.

Current assets

The Group's current assets had increased by S\$0.6 million to S\$12.8 million as at 31 December 2008. The increase in the Group's current assets was mainly due to a S\$1.1 million increase in inventory and a S\$0.2 million increase in cash and bank balances as at 31 December 2008. The increase the Group's current assets was offset by a S\$0.4 million decrease in trade and other receivables as at 31 December 2008 and the absence of a S\$0.2 million disposal group classified as held for sales due to the completion of the sales of a subsidiary as at 31 December 2008.

Current liabilities

The Group's current liabilities had decreased by S\$0.4 million to S\$6.2 million as at 31 December 2008. The decrease in the Group's current liabilities was mainly due to a S\$0.8 million decrease in bills payable to banks, a S\$0.6 million decrease in amount due to related parties, a S\$0.4 million decrease in current loans and borrowings and a S\$0.3 million decrease in bank overdrafts as at 31 December 2008. The decrease in the Group's current liabilities was offset by a S\$1.8 million increase in trade and other payables as at 31 December 2008.

Non-current liabilities

The Group's non-current liabilities had decreased by S\$1.5 million to S\$0.2 million as at 31 December 2008. The decrease in the Group's non-current liabilities was mainly due to a S\$1.4 million decrease in non-current loans and borrowings as at 31 December 2008.

Cash flow statement

The Group's cash and cash equivalents as at 31 December 2008 had decreased by S\$1.8 million to S\$1.7 million as compared to as at 31 December 2007. The decrease in the cash and cash equivalents was mainly due to the absence of a S\$2.2 million cash proceeds from the issuance of new shares.

- 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.**

While the Group's tray cleaning business remains challenging in the 2nd half of this financial year, the Group will continue to implement more cost-cutting measures to streamline its tray cleaning business operation.

The Natural Gas Vehicle ("NGV") conversion business in both Singapore and Thailand are expected to be challenging in the 2nd half of this financial year. The Group intends to consolidate its Thailand NGV conversion business to only one or two locations in Thailand.

The Group intends to focus on the marketing of Compressed Natural Gas ("CNG") vehicles in Singapore, Thailand and other viable countries when opportunity arises.

The Group has plans to make in-roads towards Liquefied Natural Gas related business

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 period ended 31 December 2008.

13 Interested Person Transactions

Not applicable

14 Confirmation by the Board

We, Lim Kee Liew @ Victor Lim and Leong Lai Heng, 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 statement for first half results ended 31 December 2008 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
12th February 2009