



# Asian Micro Holdings Limited

## HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2011

### 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		
	S\$ '000		
	6 mths ended 31/12/2011	6 mths ended 31/12/2010	% change
Revenue	3,245	4,593	-29%
Cost of Sales	(2,326)	(3,978)	-42%
Gross Profit	919	615	49%
Distribution & selling expenses	(75)	(164)	-54%
Administrative expenses	(1,250)	(1,916)	-35%
Other operating income	1,006	99	> 100%
Other operating expenses	(479)	(919)	-48%
Operating Profit / (Loss)	121	(2,285)	NM
Financial expenses	(34)	(37)	-8%
Financial income	-	1	-100%
Profit / (Loss) before taxation	87	(2,321)	NM
Taxation	-	43	NM
Profit / (Loss) for the period	87	(2,278)	NM
Attributable to :			
Equity holders of the company	358	(2,146)	NM
Non-controlling interests	(271)	(132)	> 100%
	87	(2,278)	NM
Other comprehensive Income/(loss) (net of tax):			
Currency translation differences	(759)	793	NM
	(672)	(1,485)	-55%
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent	(362)	(1,370)	-74%
Non-controlling interests	(310)	(115)	> 100%
	(672)	(1,485)	-55%

Note: NM - Not Meaningful

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

* Depreciation	(195)	(278)
* Gain / (loss) on disposal of plant & equipment	99	-
* Interest on borrowings	(22)	(37)
* Allowance for inventories obsolescence	(403)	-
* Impairment of plant & equipment	(75)	-
* Exchange difference	862	(686)

**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	
	31/12/2011 S\$ '000	30/6/2011 S\$ '000	31/12/2011 S\$ '000	30/6/2011 S\$ '000
<b><u>Non-Current Assets</u></b>				
Property, plant and equipment	1,397	1,098	318	34
Investment in subsidiaries	-	-	1,459	1,459
	1,397	1,098	1,777	1,493
<b><u>Current Assets</u></b>				
Inventories	983	1,380	-	-
Trade and other receivables	1,815	1,637	8	4
Prepayments	73	353	28	13
Due from related parties (NT)	109	108	3	3
Fixed deposits	428	427	26	26
Cash and bank balances	319	272	2	1
	3,727	4,177	67	47
<b><u>Current Liabilities</u></b>				
Trade & other payables	2,823	2,697	731	732
Due to related party (NT)	930	785	9	-
Bills payable to banks	108	456	-	-
Due to Subsidiaries (NT)	-	-	1,016	1,420
Finance lease obligations	126	73	45	7
Provision for taxation	-	17	-	-
	3,987	4,028	1,801	2,159
<b>Net current assets / (liabilities)</b>	<b>(260)</b>	<b>149</b>	<b>(1,734)</b>	<b>(2,112)</b>
<b><u>Non-current liabilities</u></b>				
Finance lease obligations	294	168	168	16
Deferred tax liability	1	1	1	1
Loan from related party (NT)	630	300	-	-
	925	469	169	17
<b>Net Assets</b>	<b>212</b>	<b>778</b>	<b>(126)</b>	<b>(636)</b>
<b><u>Represented by:</u></b>				
Share capital	38,674	38,674	38,674	38,674
Share option reserve	268	390	268	390
Translation reserve	804	1,524	-	-
Other reserve	96	96	96	96
Accumulated losses	(38,901)	(39,487)	(39,164)	(39,796)
	941	1,197	(126)	(636)
Non-controlling interests	(729)	(419)	-	-
<b>Total Equity</b>	<b>212</b>	<b>778</b>	<b>(126)</b>	<b>(636)</b>

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

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

As at 31/12/2011		As at 30/06/2011	
Secured	Unsecured	Secured	Unsecured
234	-	529	-

Amount repayable after one year : -

As at 31/12/2011		As at 30/06/2011	
Secured	Unsecured	Secured	Unsecured
294	630	168	300

528	630	697	300
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**Details of any collateral:**

- a) The Group's trade credit facilities and banker guarantees are secured by:
- (i) fixed deposits of approximately S\$430,000;
  - (ii) corporate guarantee of S\$2,540,000 from the Company;
  - (iii) a legal mortgage over a property of an affiliated company, American Converters Industries Pte Ltd (owned by the director and major shareholder of the Company); and
  - (iv) joint and several guarantee of S\$440,000 from the director and major shareholder of the Company
- b) The Group's lease obligations are secured by motor vehicles of its subsidiaries with net book value of approximately S\$480,000.

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 31/12/2011 S\$'000	6 mths ended 31/12/2010 S\$'000
<b>Cash flows from operating activities</b>		
Profit / (Loss) before taxation from continuing operations	87	(2,321)
Adjustments :		
Depreciation of property, plant & equipment	195	278
Gain on disposal of property, plant & equipment	(99)	-
Interest expense	22	37
Interest income	-	(1)
Impairment loss of property, plant & equipment	75	-
Write off of trade debtors	-	10
Allowance for stocks obsolescence	403	-
Write-back of allowance of stocks obsolescence	(1)	-
Share-based payment expenses	106	135
Currency translation	(892)	743
<b>Operating loss before working capital changes</b>	<b>(104)</b>	<b>(1,119)</b>
(Increase) / Decrease in inventories	(6)	160
Decrease / (Increase) in trade and other receivables	50	(190)
Decrease in amount due from related parties	141	134
Increase in trade and other payable	112	963
Decrease in bills payable to banks	(348)	(757)
Decrease in amount due to directors (non-trade)	-	(31)
<b>Cash used in operations</b>	<b>(155)</b>	<b>(840)</b>
Interest paid	(22)	(37)
Interest income received	-	1
Income taxes paid	-	(147)
<b>Net cash used in operating activities</b>	<b>(177)</b>	<b>(1,023)</b>
<b>Cash flow from investing activities</b>		
Proceed from disposal of property, plant & equipment	134	174
Purchase of property, plant & equipment	(165)	-
<b>Net cash (used in) / from investing activities</b>	<b>(31)</b>	<b>174</b>
<b>Cash flow from financing activities</b>		
Withdrawal of fixed deposits	-	51
Loan from related party	330	-
Repayment of finance lease obligations	(74)	(102)
Deposit of pledged fixed deposits	(1)	-
<b>Net cash (used in) / from financing activities</b>	<b>255</b>	<b>(51)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>47</b>	<b>(900)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>272</b>	<b>1,050</b>
<b>Cash and cash equivalents at end of period</b>	<b>319</b>	<b>150</b>
<b>Cash and bank balance</b>	<b>747</b>	<b>476</b>
<b>Less: Fixed deposit pledged</b>	<b>(428)</b>	<b>(326)</b>
<b>Cash and cash equivalents as at 31 Dec</b>	<b>319</b>	<b>150</b>

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	Share Capital	Share Option Reserves	FX Translation Reserve	Other Reserves	Accumulated Losses	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2011	38,674	390	1,524	96	(39,487)	1,197	(419)	778
Expiry of employee share options	-	(228)	-	-	228	-	-	-
Grant of employee share options	-	106	-	-	-	106	-	106
Total comprehensive loss for the period	-	-	(720)	-	358	(362)	(310)	(672)
Balance as at 31 Dec 2011	38,674	268	804	96	(38,901)	941	(729)	212

Group	Share Capital	Share Option Reserves	FX Translation Reserve	Other Reserves	Premium Paid on Acquisition MI	Accumulated Losses	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2010	37,174	213	147	96	(638)	(34,995)	1,997	168	2,165
Expiry of employee share options	-	(22)	-	-	-	22	-	-	-
Grant of employee share options	-	135	-	-	-	-	135	-	135
Shares issued for debt conversion	1,500	-	-	-	-	-	1,500	-	1,500
Total comprehensive loss for the period	-	-	776	-	-	(2,146)	(1,370)	(115)	(1,485)
Balance as at 31 Dec 2010	38,674	326	923	96	(638)	(37,119)	2,262	53	2,315

**1(d)(i)**

Company	Share Capital \$'000	Share Option Reserves \$'000	Other Resrves \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2011	38,674	390	96	(39,796)	(636)
Expiry of employee share options	-	(228)	-	228	-
Grand of employee share options	-	106	-	-	106
Total comprehensive loss for the period	-	-	-	404	404
Balance as at 31 Dec 2011	38,674	268	96	(39,164)	(126)

Company	Share Capital \$'000	Share Option Reserves \$'000	Other Resrves \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2010	37,174	213	96	(36,115)	1,368
Expiry of employee share options	-	(22)	-	22	-
Grand of employee share options	-	135	-	-	135
Shares issued for debt conversion	1,500	-	-	-	1,500
Total comprehensive loss for the period	-	-	-	(108)	(108)
Balance as at 31 Dec 2010	38,674	326	96	(36,201)	2,895

**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.**

During this period, the Company granted 5,400,000 share options in relation to the Employee Share Option Scheme (ESOS) 2010.

The number of unissued ordinary share under options outstanding is 23,700,000 in relation to ESOS 2010.

**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 2011, the Company's issued and paid-up capital comprises 463,591,043 ordinary shares (30 June 2011: 463,591,043 ordinary shares). There are no treasury shares as at 31 December 2011.

**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 Jun 2011, 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 2011.

The adoption of the new/revised FRSs will not result in any substantial change to the Group's accounting policies or 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 months ended 31/12/2011 S\$ cent	6 months ended 31/12/2010 S\$ cent
(a) Based on weighted average number of ordinary shares in issue; and	0.02	(0.59)
(b) On a fully diluted basis	0.02	(0.59)

**Note :**

- a) Earnings per share is calculated based on the weighted average number of ordinary shares issue during the period ended 31 December 2011 (463,591,043)
- b) Earnings 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 (463,591,043)

**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.**

	31/12/2011 S\$ cent	30/6/2011 S\$ cent
Net asset value for the Group	0.05	0.17
Net asset value for the Company	(0.03)	(0.14)

Note: Net asset value for the Group includes 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\$4.59 million to S\$3.25 million for the six months period ended 31 December 2011. The decrease in revenue was mainly due to the cessation of businesses in China and the decrease in revenue due to flooding in Thailand.

### **Gross Profit Margin**

The Group's profit margin had increased from 13% to 28%. The significant improvement in the Group's gross profit margin was mainly due to the cessation of businesses in China (which was contributing lower profit margin), improved margin from the clean room plastic packing bags manufacturing business and the recognition of the variation orders.

### **Profit for the Period**

The Group had a profit of S\$0.09 million for this financial period as compared to a loss of S\$2.28 million in the last corresponding financial period. The improvement is mainly due to the following reasons:

- a) **Increase in Gross Profit**  
As mentioned above.
- b) **Increase in Other Operating Income**  
The increase in other operating income was due to the fluctuation of USD resulting in exchange gain and gain on disposal of plant and equipment during the period.
- c) **Decrease in Administrative Expenses**  
The decrease in administrative expense was mainly due to the reduction in the directors' remuneration and in the absence of professional fees incurred for the Employee Share Option Scheme 2010 and debt capitalization exercise in 1H 2011.

The above is partially offset by the impairment of inventories resulting from the severe flood in Thailand. The inventories are insured and amount claimable is subject to the insurance company's assessment. Management has not accrued for any claims receivables for the 1H 2012.

## **BALANCE SHEET**

### **Non-current assets**

The Group's non-current assets had increased from S\$1.10 million to S\$1.40 million as at 31 December 2011. The increase was due to the purchase of two motor vehicles for business in Singapore.

### **Current assets**

The Group's current assets had decreased by S\$0.45 million to S\$3.73 million as at 31 December 2011. The decrease in the Group's current assets were mainly due to provision for damage of inventories caused by the severe flood in Thailand.

### **Current liabilities**

The Group's current liabilities had decreased by S\$0.04 million to S\$3.99 million as at 31 December 2011. The decrease in Group's current liabilities were due to settlement of bills payable to bank, partially offset by an increase in amounts due to related parties and financial lease obligations on fixed assets.

### **Non-current liabilities**

The Group's non-current liabilities had increased by S\$0.46 million to S\$0.93 million as at 31 December 2011. The increase in the Group's non-current liabilities were due to increase in the loan from related party and finance lease obligations on fixed assets.

## **CASH FLOW STATEMENT**

The Group's cash in hand and cash equivalents as at 31 December 2011 had increased by S\$0.05 million to S\$0.32 million as compared to balance as at 30 Jun 2011. The increase was mainly due to loan from related party and increase in trade and other payables, partially offset by settlement of bills payable to banks during the financial period.

**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.**

The business will remain challenging in the next 6 to 12 months and the Group will continue its cost cutting effort and measures to improve its revenue. The Group is continuing with the upgrading of its plastic bags manufacturing machineries progressively to improve its competitiveness so as to obtain more orders from its major customers, and to focus on higher margin products.

The Group will continue to promote the use of natural gas to the manufacturing and service industries for the purpose of gas cutting, heat treatment processes, powering of natural gas tractors and testing of electrical power generators in the marine and offshore industries.

Market condition is expected to remain challenging for the next 6 to 12 months.

**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 6 months period ended 31 December 2011.

- 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.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
	S\$'000
Ultraline Technology (S) Pte Ltd	60
Ultraline Holding (Thailand) Co., Ltd	22
Asian Micro Industries (Thailand) Co., Ltd	41

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

We, Lim Kee Liew @ Victor Lim and Lin Xianglong Winchester, 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 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Lim Kee Liew @ Victor Lim**  
Group Managing Director

**Lin Xianglong Winchester**  
Director

10 February 2012

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 Tan Chong Huat  
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