



Asian Micro Holdings Limited

HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2013

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 2013 S\$'000	6 mths ended 31 December 2012 S\$'000	% Changes
Revenue	3,896	3,118	25%
Cost of Sales	(2,900)	(2,274)	28%
Gross Profit	996	844	18%
Distribution & selling expenses	(82)	(82)	0%
Administrative expenses	(2,122)	(1,208)	76%
Other operating expense, net	(735)	(279)	163%
Loss from operation	(1,943)	(725)	168%
Financial expenses	(17)	(28)	-39%
Loss before taxation	(1,960)	(753)	160%
Taxation	-	-	0%
Loss for the period	(1,960)	(753)	160%
Attributable to :			
Equity holders of the Company	(2,107)	(787)	168%
Non-controlling interests	147	34	332%
Loss for the period	(1,960)	(753)	160%
Other comprehensive loss (net of tax) :			
Foreign currency translation	834	328	154%
Total comprehensive loss for the period	(1,126)	(425)	165%
Attributable to :			
Equity holders of the Company	(1,417)	(463)	206%
Non-controlling interests	291	38	666%
	(1,126)	(425)	165%

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

Foreign exchange loss	(884)	(351)
Gain on disposal of plant and equipment	28	40
Write back of allowance for stock obsolescence	2	16

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

Depreciation	(92)	(189)
Interest on borrowing	(4)	(28)

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 2013 S\$'000	30 June 2013 S\$'000	31 December 2013 S\$'000	30 June 2013 S\$'000
Non-Current Assets				
Plant & equipment	434	955	21	449
Investment in subsidiaries	-	-	-	-
	434	955	21	449
Current Assets				
Inventories	551	201	-	-
Trade and other receivables	2,107	1,467	27	2
Prepayments	53	99	10	6
Due from related parties (non-trade)	372	643	6	5
Fixed deposits	123	406	-	-
Cash and bank balances	1,507	363	952	3
	4,713	3,179	995	16
Total Assets	5,147	4,134	1,016	465
Current Liabilities				
Trade & other payables	1,844	1,525	171	65
Accrued expenses	812	933	300	293
Provision	39	41	-	-
Due to subsidiaries (non-trade), net	-	-	1,447	1,527
Due to related parties (non-trade)	823	724	12	11
Loan from related parties (non-trade)	-	348	-	-
Bills payable to banks	12	64	-	-
Obligations under finance lease	86	170	4	81
Provision for taxation	-	8	-	-
	3,616	3,813	1,934	1,977
Net Current Assets / (Liabilities)	1,097	(634)	(939)	(1,961)
Non-Current Liabilities				
Due to related parties (non-trade)	-	229	-	24
Obligations under finance lease	115	322	-	160
Deferred tax liabilities	1	1	1	1
	116	552	1	185
Total Liabilities	3,732	4,365	1,935	2,162
Net Assets / (Liabilities)	1,415	(231)	(919)	(1,697)
Represented by :				
Share capital	42,862	39,943	42,862	39,943
Share option reserve	40	187	40	187
Other reserve	96	96	96	96
Foreign currency translation reserve	1,681	991	-	-
Accumulated losses	(42,675)	(40,568)	(43,917)	(41,923)
	2,004	649	(919)	(1,697)
Non-controlling interests	(589)	(880)	-	-
Total Equity / (Deficit)	1,415	(231)	(919)	(1,697)
Total Equity and Liabilities	5,147	4,134	1,016	465

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

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

As at 31/12/2013		As at 30/6/2013	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
98	-	234	348

Amount repayable after one year :-

As at 31/12/2013		As at 30/6/2013	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
115	-	322	-

213	-	556	348
-----	---	-----	-----

Details of any collateral:

- a) The Group's trade credit facilities and banker guarantees are secured by :
- (i) fixed deposits of approximately S\$123,000;
 - (ii) joint and several guarantee of S\$440,000 from the director and controlling shareholders of the Company.
- b) The Group's lease obligations are secured by motor vehicles of its subsidiaries with net book value of approximately S\$344,000.

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 December 2013	6 mths ended 31 December 2012
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(1,960)	(753)
Adjustments for :		
Write-off of doubtful debts	-	1
Non-cash benefits paid to directors	683	-
Write-back of allowance for stock obsolescence	(2)	(16)
Depreciation of plant and equipment	92	189
Gain on disposal of plant and equipment	(28)	(40)
Exchange difference	812	379
Interest expenses	4	28
Share-based payment expenses	-	103
Operating loss before working capital changes	(399)	(109)
Increase in stocks	(352)	(720)
Increase in trade and other receivables	(662)	(240)
Decrease in amount due from related parties	241	2
Decrease/(Increase) in prepayments	41	(84)
Increase/(Decrease) in amount due to related parties	355	(23)
Increase in trade and other payables	243	426
(Decrease)/Increase in bills payable to bank	(52)	212
Cash used in operations	(585)	(536)
Interest paid	(4)	(28)
Income tax paid	(8)	-
Net cash used in operating activities	(597)	(564)
Cash flow from investing activities		
Proceeds from disposal of plant and equipment	57	40
Purchase of plant and equipment	(18)	(78)
Net cash generated from / (used in) investing activities	39	(38)
Cash flows from financing activities		
Loan from related party	-	(582)
Proceeds from issue of share capital	1,475	80
Repayment of finance lease obligations	(74)	(74)
Fixed deposits withdrawn	284	25
Net cash generated from / (used in) financing activities	1,685	(551)
Net increase / (decrease) in cash and cash equivalents	1,127	(1,153)
Effect of exchange rate changes in cash and cash equivalents	17	(13)
Cash and cash equivalents at beginning of year	363	1,416
Cash and cash equivalents at end of period	1,507	250

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 \$'000	Share Capital \$'000	Share Option Reserves \$'000	Translation and other reserves \$'000	Accumulated Losses \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
Balance as at 1 July 2013	39,943	187	1,087	(40,568)	649	(880)	(231)
Total comprehensive loss for the period	-	-	690	(2,107)	(1,417)	291	(1,126)
Issue of ordinary shares via private placement	1,313	-	-	-	1,313	-	1,313
Debt Conversion	1,297	-	-	-	1,297	-	1,297
Exercise of employee share options	309	(147)	-	-	162	-	162
Balance as at 31 December 2013	42,862	40	1,777	(42,675)	2,004	(589)	1,415

Group \$'000	Share Capital \$'000	Share Option Reserves \$'000	Translation and other reserves \$'000	Accumulated Losses \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
Balance as at 1 July 2012	38,674	321	1,332	(39,538)	789	(616)	173
Total comprehensive loss for the period	-	-	(245)	(1,031)	(1,276)	(264)	(1,540)
Issue of ordinary shares via private placement	600	-	-	-	600	-	600
Grant of equity-settled share options to employees	-	180	-	-	180	-	180
Exercise of employee share options	669	(313)	-	-	356	-	356
Forfeiture of employee share options	-	(1)	-	1	-	-	-
Balance as at 30 June 2013	39,943	187	1,087	(40,568)	649	(880)	(231)

Company \$'000	Share Capital \$'000	Share Option Reserves \$'000	Other reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2013	39,943	187	96	(41,923)	(1,697)
Total comprehensive income/(loss) for the period	-	-	-	(1,994)	(1,994)
Issue of ordinary shares via private placement	1,313	-	-	-	1,313
Debt Conversion	1,297	-	-	-	1,297
Exercise of employee share options	309	(147)	-	-	162
Balance as at 31 December 2013	42,862	40	96	(43,917)	(919)

Company \$'000	Share Capital \$'000	Share Option Reserves \$'000	Other reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2012	38,674	321	96	(41,077)	(1,986)
Total comprehensive income/(loss) for the period	-	-	-	(847)	(847)
Issue of ordinary shares via private placement	600	-	-	-	600
Grant of equity-settled share options to employees	-	180	-	-	180
Exercise of employee share options	669	(313)	-	-	356
Forfeiture of employee share options	-	(1)	-	1	-
Balance as at 30 June 2013	39,943	187	96	(41,923)	(1,697)

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 2013		31 December 2012	
	No of shares (^{'000})	Share Capital (\$ ^{'000})	No of shares (^{'000})	Share Capital (\$ ^{'000})
Balance as at the beginning of the period	534,995	39,943	463,591	38,674
Debt Conversion	44,738	1,297	-	-
Private Placement	40,000	1,313	46,154	600
Exercise of Employee Share Option Scheme (ESOS) 2010 options	7,650	309	14,300	376
Balance as at the end of the period	627,383	42,862	524,045	39,650

During the period under review, the Company :-

- (a) issued and allotted 44,738,172 shares by way of debt conversion;
- (b) issued and allotted 40,000,000 placement shares by way of a private placement; and
- (c) issued and allotted 7,650,000 shares in relation to the exercise of options by the employees.

As at 31 December 2013 and 31 December 2012, the Company had outstanding ESOS 2010 options, the conversion of which would result in the issue of 2,000,000 and 20,950,000 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 2013 or 31 December 2012.

The Company held no treasury shares as at 31 December 2013 and 31 December 2012.

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 2013, the Company's issued and paid-up capital comprises 627,383,061 ordinary shares (30 June 2013: 534,994,889 ordinary shares). There are no treasury shares as at 31 December 2013.

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 2013, 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 2013.

The adoption of the new/revised FRSs does 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 December 2013 S\$ cent	6 months ended 31 December 2012 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	(0.37)	(0.17)
(b). On a fully diluted basis	(0.37)	(0.17)

Notes:

- a) Loss per share is calculated based on the weighted average number of ordinary shares issue during the period ended 31 December 2013.
- b) For the period ended 31 December 2013, share options granted to employees under ESOS 2010 have not been included in the calculation of diluted loss per share because they are anti-dilutive.

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 2013 S\$ cents	30 June 2013 S\$ cents
Net asset value for the Group	0.23	(0.04)
Net asset value for the Company	(0.15)	(0.32)

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 increased from S\$3.12 million to S\$3.90 million. The increase in revenue was mainly due to improvement of business by the Thailand subsidiary.

Gross Profit Margin

The Group's profit margin had decreased from 27% to 26% as compared to period ended 31 December 2012 (hereinafter, "the previous financial period"). The decrease was due to increase in cost of sales in Thailand.

Loss for the Period

The Group had a loss of S\$1.96 million for the current financial period as compared to S\$0.75 million for the previous financial period. The loss was mainly due to the following reasons:

- a) Increase in Other Operating Expense
The increase in other operating expense was mainly due to the fluctuation of USD resulting in exchange loss of approximately S\$884,000. Details of other operating expense is on Page 1 of this announcement.
- b) Increase in Administrative Expenses
The increase in administrative expenses was mainly due to professional fees incurred in relation to the Reverse Take Over ("RTO") and non-cash benefits paid to directors as approved during the Extraordinary General Meeting ("EGM") on 9 October 2013.

BALANCE SHEET

Non-current assets

The Group's non-current assets had decreased from S\$0.96 million as at 30 June 2013 to S\$0.43 million as at 31 December 2013. The decrease was mainly due to transfer of motor vehicle to directors being non-cash benefits paid by the Company and depreciation made during the period.

Current assets

The Group's current assets had increased from S\$3.18 million as at 30 June 2013 to S\$4.71 million as at 31 December 2013. The increase was mainly due to proceeds of private placement received and increase in inventories.

Current liabilities

The Group's current liabilities had decreased from S\$3.81 million as at 30 June 2013 to S\$3.62 million as at 31 December 2013. The decrease in Group's current liabilities was due to a decrease in loan from related party via debts conversion.

Non-current liabilities

The Group's non-current liabilities had decreased from S\$0.55 million as at 30 June 2013 to S\$0.12 million as at 31 December 2013. The decrease in the Group's non-current liabilities was due to decrease in amounts owing to related parties via debts conversion.

CASH FLOW STATEMENT

The Group's cash and cash equivalents as at 31 December 2013 had increased by S\$1.14 million to S\$1.51 million as compared to the balance of S\$0.36 million as at 30 June 2013. The increase was mainly due to proceeds received from private placement of the Company's shares 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 for the FY 2014, mainly due to pricing pressure from customers and rising operational costs. However, the Group will continue its cost cutting efforts and measures to improve its bottom line by focusing on its profit making subsidiaries and taking actions to terminate any loss making business. While the market condition is expected to remain challenging for FY 2014 and this will likely have an impact on the Group's existing business performance, the Management will continue to focus on restructuring and consolidating its existing business, without any major capital expenditures.

As announced on 18 September 2013, the Company has, on 16 September 2013, entered into a share purchase agreement ("SPA") with the shareholders of Oxley Global Limited ("Oxley") for the acquisition of the entire issued ordinary shares in Oxley by way of exchange for new shares in the capital of the Company ("Shares Exchange"). Pursuant to the SPA, the purchase consideration of S\$210 million will be satisfied in full by way of allotment and issuance of an aggregate of 1,050,000,000 consolidated Shares ("Consideration Shares") at an issue price of S\$0.20 per Consideration Share ("Proposed Transaction"). The Proposed Transaction, if completed, will result in a change of control of the Company and will constitute as a "Very Substantial Acquisition" or a "Reverse Take-over Transaction" under Rule 1015 of the Section B: Rules of Catalist of the Listing Manual of the SGX-ST. In addition, upon completion of the Proposed Transaction, the Company shall dispose of all the existing business on an "as-is where-is" basis to a Director and also a Controlling Shareholder of the Company. The Company will make further announcements on the development of the Proposed Transaction, where appropriate. As at the date of this announcement, the parties are in the midst of completing the due diligence exercise.

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.

No dividend has been paid and declared by the Company for the period ended 31 December 2013.

- 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 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 2013 to be false or misleading in any material aspect.

By Order of the Board

Lim Kee Liew @ Victor Lim

Executive Chairman, Chief Executive Officer and Group Managing Director

7 February 2014

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. Chew Kok Liang
Telephone number: +65 6381 6757