



Asian Micro Holdings Limited

HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2014

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 2014 S\$'000	6 mths ended 31 December 2013 S\$'000	% Changes
Revenue	3,641	3,896	-7%
Cost of Sales	(2,575)	(2,900)	-11%
Gross Profit	1,066	996	7%
Distribution & selling expenses	(466)	(82)	468%
Administrative expenses	(1,070)	(2,122)	-50%
Other operating income / (expenses), net	959	(735)	NM
Profit / (Loss) from operation	489	(1,943)	NM
Financial expenses	(13)	(17)	-24%
Profit / (Loss) before taxation	476	(1,960)	NM
Taxation	(97)	-	NM
Profit / (Loss) for the period	379	(1,960)	NM
Attributable to :			
Equity holders of the Company	334	(2,107)	NM
Non-controlling interests	45	147	-69%
Profit / (Loss) for the period	379	(1,960)	NM
Other comprehensive income / (loss) (net of tax) :			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(572)	834	NM
Total comprehensive income / (loss) for the period	(193)	(1,126)	-83%
Attributable to :			
Equity holders of the Company	(139)	(1,417)	-90%
Non-controlling interests	(54)	291	NM
	(193)	(1,126)	-83%

NM: Not Meaningful

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

Foreign exchange gain/(loss)	650	(884)
Gain on disposal of plant and equipment	236	28
Write back of allowance for stock obsolescence	19	2
Sales of scrap	35	23

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

Depreciation	(82)	(92)
Interest on borrowing	(4)	(4)

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 2014 S\$'000	30 June 2014 S\$'000	31 December 2014 S\$'000	30 June 2014 S\$'000
Non-Current Assets				
Plant & equipment	246	471	23	50
Investment in subsidiaries	-	-	-	-
	246	471	23	50
Current Assets				
Inventories	824	476	-	-
Trade and other receivables	1,240	1,732	9	331
Prepayments	61	67	11	5
Due from related parties (non-trade)	-	307	-	9
Fixed deposits	124	123	-	-
Cash and bank balances	1,593	1,264	483	692
	3,842	3,969	503	1,037
Total Assets	4,088	4,440	526	1,087
Current Liabilities				
Trade & other payables	1,176	1,465	224	349
Accrued expenses	883	886	369	367
Provision for taxation	83	-	-	-
Due to subsidiaries (non-trade), net	-	-	1,505	1,480
Due to related parties (non-trade)	200	11	-	8
Obligations under finance lease	8	77	-	-
	2,350	2,439	2,098	2,204
Net Current Assets / (Liabilities)	1,492	1,530	(1,595)	(1,167)
Non-Current Liabilities				
Obligations under finance lease	17	87	-	-
Deferred tax liabilities	1	1	1	1
	18	88	1	1
Total Liabilities	2,368	2,527	2,099	2,205
Net Assets / (Liabilities)	1,720	1,913	(1,573)	(1,118)
Represented by :				
Share capital	42,862	42,862	42,862	42,862
Share option reserve	40	40	40	40
Other reserve	96	96	96	96
Foreign currency translation reserve	187	660	-	-
Accumulated losses	(40,837)	(41,171)	(44,571)	(44,116)
	2,348	2,487	(1,573)	(1,118)
Non-controlling interests	(628)	(574)	-	-
Total Equity / (Deficit)	1,720	1,913	(1,573)	(1,118)
Total Equity and Liabilities	4,088	4,440	526	1,087

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

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

As at 31/12/2014		As at 30/6/2014	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
8	-	77	-

Amount repayable after one year :-

As at 31/12/2014		As at 30/6/2014	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
17	-	87	-

25	-	164	-
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Details of any collateral:

- a) The Group's trade credit facilities and banker guarantees are secured by :
- (i) Corporate guarantee of \$440,000 from the Company;
 - (ii) Fixed deposits of approximately S\$124,000; and
 - (iii) joint and several guarantee of S\$440,000 from two major shareholders of the Company (one of them is also a director of the Company).
- b) The Group's lease obligations are secured by motor vehicles of its subsidiaries with net book value of approximately S\$26,000.

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 2014	6 mths ended 31 December 2013
	S\$'000	S\$'000
Cash flows from operating activities		
Profit / (Loss) before tax	476	(1,960)
Adjustments for :		
Write-back of doubtful debts	(5)	-
Non-cash benefits paid to directors	-	683
Write-back of allowance for stock obsolescence	(19)	(2)
Depreciation of plant and equipment	82	92
Gain on disposal of plant and equipment	(236)	(28)
Exchange difference	(578)	812
Interest expenses	4	4
Operating loss before working capital changes	(276)	(399)
Increase in stocks	(348)	(352)
Decrease/(Increase) in trade and other receivables	477	(662)
Decrease in amount due from related parties	-	241
(Increase)/Decrease in prepayments	(7)	41
Increase in amount due to related parties	490	355
(Decrease)/Increase in trade and other payables	(262)	243
Decrease in bills payable to bank	-	(52)
Cash generated from / (used in) operations	74	(585)
Interest paid	(4)	(4)
Income tax paid	-	(8)
Net cash generated from / (used in) operating activities	70	(597)
Cash flow from investing activities		
Proceeds from disposal of plant and equipment	431	57
Purchase of plant and equipment	(43)	(18)
Net cash generated from investing activities	388	39
Cash flows from financing activities		
Proceeds from issue of share capital	-	1,475
Repayment of finance lease obligations	(139)	(74)
Fixed deposits (addition)/withdrawn	(2)	284
Net cash (used in) / generated from financing activities	(141)	1,685
Net increase / (decrease) in cash and cash equivalents	317	1,127
Effect of exchange rate changes in cash and cash equivalents	12	17
Cash and cash equivalents at beginning of year	1,264	363
Cash and cash equivalents at end of period	1,593	1,507

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	Attributable to owners of the Company						
	Total equity	Equity attributable to owners of the Company, total	Accumulated Losses	Share Capital	Share Option Reserves	Translation and other reserves	Non-controlling Interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2014	1,913	2,487	(41,171)	42,862	40	756	(574)
Net profit for the period	379	334	334	-	-	-	45
<u>Other comprehensive income</u>							
Foreign currency translation differences for foreign operations	(572)	(473)	-	-	-	(473)	(99)
Other comprehensive income for the period, net of tax	(572)	(473)	-	-	-	(473)	(99)
Total comprehensive income/(loss) for the period	(193)	(139)	334	-	-	(473)	(54)
Balance as at 31 December 2014	1,720	2,348	(40,837)	42,862	40	283	(628)

Group	Attributable to owners of the Company						
	Total (deficit)/ equity	Equity attributable to owners of the Company, total	Accumulated Losses	Share Capital	Share Option Reserves	Translation and other reserves	Non-controlling Interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2013	(231)	649	(40,568)	39,943	187	1,087	(880)
Net loss for the year	(445)	(603)	(603)	-	-	-	158
<u>Other comprehensive income</u>							
Foreign currency translation differences for foreign operations	985	837	-	-	-	837	148
Foreign currency reserve realised on loss of control of subsidiaries	(1,168)	(1,168)	-	-	-	(1,168)	-
Other comprehensive loss for the year, net of tax	(183)	(331)	-	-	-	(331)	148
Total comprehensive income/(loss) for the year	(628)	(934)	(603)	-	-	(331)	306
<u>Contribution by and distributions to owners</u>							
Issue of ordinary shares via private placement	1,313	1,313	-	1,313	-	-	-
Issue of ordinary shares via debt conversion	1,297	1,297	-	1,297	-	-	-
Exercise of employee share options	162	162	-	309	(147)	-	-
Total contribution by and distributions to owners	2,772	2,772	-	2,919	(147)	-	-
Balance as at 30 June 2014	1,913	2,487	(41,171)	42,862	40	756	(574)

Company \$'000	Total (deficit)/ equity \$'000	Share Capital \$'000	Share Option Reserves \$'000	Other reserves \$'000	Accumulated Losses \$'000
Balance as at 1 July 2014	(1,118)	42,862	40	96	(44,116)
Loss for the year, representing total comprehensive loss for the period	(455)	-	-	-	(455)
Balance as at 31 December 2014	(1,573)	42,862	40	96	(44,571)

Company \$'000	Total (deficit)/ equity \$'000	Share Capital \$'000	Share Option Reserves \$'000	Other reserves \$'000	Accumulated Losses \$'000
Balance as at 1 July 2013	(1,697)	39,943	187	96	(41,923)
Loss for the year, representing total comprehensive loss for the year	(2,193)	-	-	-	(2,193)
<u>Contribution by and distributions to owners</u>					
Issue of ordinary shares via private placement	1,313	1,313	-	-	-
Issue of ordinary shares via debt conversion	1,297	1,297	-	-	-
Exercise of employee share options	162	309	(147)	-	-
Total transactions with owners in their capacity as owners	2,772	2,919	(147)	-	-
Balance as at 30 June 2014	(1,118)	42,862	40	96	(44,116)

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 2014		31 December 2013	
	No of shares ('000)	Share Capital (\$ '000)	No of shares ('000)	Share Capital (\$ '000)
Balance as at the beginning of the period	627,383	42,862	534,995	39,943
Debt Conversion	-	-	44,738	1,297
Private Placement	-	-	40,000	1,313
Exercise of Employee Share Option Scheme (ESOS) 2010 options	-	-	7,650	309
Balance as at the end of the period	627,383	42,862	627,383	42,862

As at 31 December 2014 and 31 December 2013, the Company had outstanding ESOS 2010 options, the conversion of which would result in the issue of 2,000,000 new ordinary shares. Save for such options, there are no other outstanding convertibles issued by the Company convertible into shares as at 31 December 2014 or 31 December 2013.

The Company held no treasury shares as at 31 December 2014 and 31 December 2013.

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 2014, the Company's issued and paid-up capital comprises 627,383,061 ordinary shares (30 June 2014: 627,383,061 ordinary shares). There are no treasury shares as at 31 December 2014.

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 2014, 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 2014.

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 mths ended 31 December 2014 S\$ cent	6 mths ended 31 December 2013 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	0.05	(0.37)
(b). On a fully diluted basis	0.05	(0.37)

Notes:

- a) Profit per share is calculated based on the weighted average number of ordinary shares issue during the period ended 31 December 2014.
- b) For the period ended 31 December 2014, 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 2014 S\$ cents	30 June 2014 S\$ cents
Net asset value for the Group	0.27	0.30
Net liability value for the Company	(0.25)	(0.18)

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 decreased from S\$3.90 million to S\$3.64 million. The decrease in revenue was mainly due to cessation of tray washing business by the Thailand subsidiary and partially offset by higher revenue generated in the NGV business by the Thailand subsidiary.

Gross Profit Margin

The Group's profit margin had increased from 26% to 29% as compared to period ended 31 December 2013 (hereinafter, "the previous financial period"). The increase was due cessation of tray washing business in Thailand (when was contributing lower margin) and improved margin from the NGV business in Thailand.

Profit for the Period

The Group had a profit of S\$0.38 million for the current financial period as compared to a loss of S\$1.96 million for the previous financial period. The profit was mainly due to the following reasons:

- a) **Increase in Other Operating Income / (Decrease in Other Operating Expenses)**
The Group had a net income of S\$0.96 million for the current financial period as compared to net operating expenses of S\$0.74 million for the previous financial period. This was mainly due to the unrealized exchange gain resulted from recorded monetary balances denominated in foreign currencies and gain on disposal of plant and equipment. Details of other operating income/(expenses) is on Page 1 of the announcement.
- b) **Decrease in Administrative Expenses**
The decrease in administrative expenses was mainly due to higher administrative expenses incurred in previous financial period such as, 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\$0.47 million as at 30 June 2014 to S\$0.25 million as at 31 December 2014. The decrease was mainly due to disposal of non-current assets by one of Thailand subsidiary and depreciation made during the period.

Current assets

The Group's current assets had decreased from S\$3.97 million as at 30 June 2014 to S\$3.84 million as at 31 December 2014. The decrease was mainly due to decrease from trade and other receivables and offset by the increase in cash and bank balances from the proceeds from the disposal of plant and equipment.

Current liabilities

The Group's current liabilities had decreased from S\$2.44 million as at 30 June 2014 to S\$2.35 million as at 31 December 2014. The decrease in Group's current liabilities was due to repayment of trade and other payables and settlement of hire purchase obligation during the period.

Non-current liabilities

The Group's non-current liabilities had decreased from S\$0.09 million as at 30 June 2014 to S\$0.02 million as at 31 December 2014. The decrease in the Group's non-current liabilities was due to settlement of hire purchase obligation during the period.

CASH FLOW STATEMENT

The Group's cash and cash equivalents as at 31 December 2014 had increased by S\$0.33 million to S\$1.59 million as compared to the balance of S\$1.26 million as at 30 June 2014. The increase was mainly due to proceeds received from disposal of plant and equipment.

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 Management expects the operating business environment in the next 12 months to remain challenging, due to pricing pressure from customers and rising operational costs. However, the Management remains focused to enhance its operational efficiency and monitor its operating expenses in the face of economy uncertainties.

The Management remains cautious of unexpected economic upheavals in the global economy which may adversely affect the Company. The Management will continue to focus on restructuring and consolidating its existing business, without any major capital expenditures.

On the Share Purchase Agreement's Supplemental Announcement announced on 26 June 2014, the Company and the Vendors (collectively, the "Parties" and each a "Party") had agreed to extend the long-stop date of the Share Purchase Agreement to 31 December 2014 ("Extended Long-Stop Date") to enable the restructuring of the Target Group, which will encompass the securing by Oxley of majority interests in assets, undertakings or businesses which are similar, complementary or related to its existing businesses. As of the Extended Long-Stop Date, the Restructuring Exercise has not been completed by the Vendors. Consequently, a formal application to seek the approval of the SGX-ST in respect of the Shares Exchange ("SGX Approval") could not be submitted and the Vendors were not able to satisfy/fulfil one of the Conditions Precedent.

As announced on 15 January 2015, in accordance with the Share Purchase Agreement, as not all of the Conditions Precedent have been satisfied, fulfilled and/or waived (as relevant) by the Extended Long-Stop Date, and following the expiration of ten (10) business days thereafter provided for the Vendors to rectify the non-fulfilment of the Conditions Precedent, the Share Purchase Agreement has ipso facto terminated.

Pursuant to the Share Purchase Agreement, no Party shall have any claim against the other Party, save as provided for in the provisions of the Share Purchase Agreement which survive the termination.

The termination of the Share Purchase Agreement is not expected to have any material impact on the Group's consolidated financial statements for the current financial year ending 30 June 2015.

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 2014.

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 2014 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

12 February 2015

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.

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