



Asian Micro Holdings Limited

HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

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 2015 S\$'000	6 mths ended 31 December 2014 S\$'000	% Changes
Revenue	2,541	3,641	-30%
Cost of Sales	(1,644)	(2,575)	-36%
Gross Profit	897	1,066	-16%
Distribution and selling expenses	(27)	(466)	-94%
Administrative expenses	(1,030)	(1,070)	-4%
Other operating income, net	224	959	-77%
Profit from operation	64	489	-87%
Financial expenses	(6)	(13)	-54%
Profit before taxation	58	476	-88%
Taxation	-	(97)	NM
Profit for the period	58	379	-85%
Attributable to :			
Equity holders of the Company	111	334	-67%
Non-controlling interests	(53)	45	NM
Profit for the period	58	379	-85%
Other comprehensive income / (loss) (net of tax) :			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	231	(572)	NM
Total comprehensive income / (loss) for the period	289	(193)	NM
Attributable to :			
Equity holders of the Company	301	(139)	NM
Non-controlling interests	(12)	(54)	-78%
	289	(193)	NM

NM: Not Meaningful

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

* Foreign exchange (loss) / gain	(156)	650
* (Loss) / Gain on disposal of plant and equipment	(6)	236
* Write back of allowance for stock obsolescence	312	19
* Sales of scrap	11	35
* Other income	53	10

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

* Depreciation	(103)	(82)
* Interest on borrowing	(5)	(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 2015 S\$'000	30 June 2015 S\$'000	31 December 2015 S\$'000	30 June 2015 S\$'000
<u>Non-Current Assets</u>				
Plant and equipment	457	531	321	364
Investment in subsidiaries	-	-	-	-
Trade receivables	147	-	-	-
	604	531	321	364
<u>Current Assets</u>				
Inventories	387	487	-	-
Trade and other receivables	1,191	1,010	11	7
Prepayments	53	33	26	9
Other current assets	25	31	-	-
Fixed deposits	653	324	100	100
Cash and bank balances	973	1,502	166	280
	3,282	3,387	303	396
Total Assets	3,886	3,918	624	760
<u>Current Liabilities</u>				
Trade and other payables	879	964	26	58
Accrued expenses	580	793	96	199
Due to subsidiaries (non-trade), net	-	-	1,826	1,375
Due to related parties (non-trade)	206	197	-	3
Obligations under finance lease	40	63	23	38
Income tax payable	43	47	-	-
	1,748	2,064	1,971	1,673
Net Current Assets / (Liabilities)	1,534	1,323	(1,668)	(1,277)
<u>Non-Current Liabilities</u>				
Obligations under finance lease	169	174	156	160
Deferred tax liabilities	1	1	1	1
	170	175	157	161
Total Liabilities	1,918	2,239	2,128	1,834
Net Assets / (Liabilities)	1,968	1,679	(1,504)	(1,074)
<u>Equity attributable to owners of the Company</u>				
Share capital	42,862	42,862	42,862	42,862
Share option reserve	40	40	40	40
Foreign currency translation reserve	433	243	-	-
Other reserve	96	96	96	96
Accumulated losses	(40,451)	(40,562)	(44,502)	(44,072)
	2,980	2,679	(1,504)	(1,074)
Non-controlling interests	(1,012)	(1,000)	-	-
Total Equity / (Deficit)	1,968	1,679	(1,504)	(1,074)
Total Equity and Liabilities	3,886	3,918	624	760

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

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

As at 31/12/2015		As at 30/6/2015	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
40	-	63	-

Amount repayable after one year :-

As at 31/12/2015		As at 30/6/2015	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
169	-	174	-
209	-	237	-

Details of any collateral:

- a) The Group's trade credit facilities and banker guarantees are secured by :
- (i) Corporate guarantee of S\$440,000 from the Company;
 - (ii) Fixed deposits of approximately S\$224,000; and
 - (iii) Joint and several guarantee of S\$440,000 from the two major shareholders of the Company (one of whom is also a director of the Company).
- b) The Group's lease obligations are secured by motor vehicles of the company and its subsidiaries with net book value of approximately S\$322,300.

- 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 2015	6 mths ended 31 December 2014
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	58	476
Adjustments for :		
Write-back of doubtful debts	-	(5)
Write-back of allowance for stock obsolescence	(312)	(19)
Depreciation of plant and equipment	103	82
Loss / (Gain) on disposal of plant and equipment	6	(236)
Exchange difference	188	(578)
Interest expenses	5	4
Operating profit / (loss) before working capital changes	48	(276)
Decrease / (Increase) in stocks	411	(348)
(Increase) / Decrease in trade and other receivables	(328)	477
Increase in prepayments	(19)	(7)
Increase in amount due to related parties	8	490
Decrease in trade and other payables	(298)	(262)
Cash (used in) / generated from operations	(178)	74
Interest paid	(5)	(4)
Income tax paid	(4)	-
Net cash (used in) / generated from operating activities	(187)	70
Cash flow from investing activities		
Proceeds from disposal of plant and equipment	20	431
Purchase of plant and equipment	(50)	(43)
Net cash (used in) / generated from investing activities	(30)	388
Cash flows from financing activities		
Repayment of finance lease obligations	(28)	(139)
Fixed deposits (addition) / withdrawn	-	(2)
Net cash used in financing activities	(28)	(141)
Net (decrease) / increase in cash and cash equivalents	(245)	317
Effect of exchange rate changes in cash and cash equivalents	45	12
Cash and cash equivalents at beginning of year	1,602	1,264
Cash and cash equivalents at end of period	1,402	1,593

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	Total equity	Attributable to owners of the Company					Non-controlling Interests
		Equity attributable to owners of the Company	Accumulated Losses	Share Capital	Share Option Reserves	Translation and other reserves	
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 July 2015	1,679	2,679	(40,562)	42,862	40	339	(1,000)
Net profit / (loss) for the period	58	111	111	-	-	-	(53)
Other comprehensive income for the period, net of tax							
Foreign currency translation differences for foreign operations	231	190	-	-	-	190	41
Other comprehensive income for the period	231	190	-	-	-	190	41
Total comprehensive income / (loss) for the period	289	301	111	-	-	190	(12)
Balance as at 31 December 2015	1,968	2,980	(40,451)	42,862	40	529	(1,012)

Group	Total equity / (deficit)	Attributable to owners of the Company					Non-controlling Interests
		Equity attributable to owners of the Company	Accumulated Losses	Share Capital	Share Option Reserves	Translation and other reserves	
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 July 2014	1,913	2,487	(41,171)	42,862	40	756	(574)
Net profit / (loss) for the year	263	609	609	-	-	-	(346)
Other comprehensive loss for the year, net of tax							
Foreign currency translation differences for foreign operations	(497)	(417)	-	-	-	(417)	(80)
Other comprehensive loss for the year	(497)	(417)	-	-	-	(417)	(80)
Total comprehensive (loss) / income for the year	(234)	192	609	-	-	(417)	(426)
Balance as at 30 June 2015	1,679	2,679	(40,562)	42,862	40	339	(1,000)

Company	Total (deficit)/ equity	Share Capital	Share Option Reserves	Other reserves	Accumulated Losses
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2015	(1,074)	42,862	40	96	(44,072)
Loss for the period, representing total comprehensive loss for the period	(430)	-	-	-	(430)
Balance as at 31 December 2015	(1,504)	42,862	40	96	(44,502)

Company	Total (deficit)/ equity	Share Capital	Share Option Reserves	Other reserves	Accumulated Losses
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2014	(1,118)	42,862	40	96	(44,116)
Profit for the year, representing total comprehensive income for the year	44	-	-	-	44
Balance as at 30 June 2015	(1,074)	42,862	40	96	(44,072)

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 2015		31 December 2014	
	No of shares ('000)	Share Capital (S\$ '000)	No of shares ('000)	Share Capital (S\$ '000)
Balance as at the beginning of the period	627,383	42,862	627,383	42,862
Balance as at the end of the period	627,383	42,862	627,383	42,862

As at 31 December 2015 and 31 December 2014, 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 2015 or 31 December 2014.

The Company held no treasury shares as at 31 December 2015 and 31 December 2014.

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 2015, the Company's issued and paid-up capital comprises 627,383,061 ordinary shares (30 June 2015: 627,383,061 ordinary shares). There are no treasury shares as at 31 December 2015.

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 2015, 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 2015.

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 2015 S\$ cent	6 mths ended 31 December 2014 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	0.02	0.05
(b). On a fully diluted basis	0.02	0.05

Notes:

a) Profit per share is calculated based on the weighted average number of ordinary shares issue during the period ended 31 December 2015 and 31 December 2014, respectively.

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 2015 S\$ cents	30 June 2015 S\$ cents
Net asset value for the Group	0.31	0.27
Net liability value for the Company	(0.24)	(0.17)

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\$3.64 million to S\$2.54 million. The decrease in revenue was mainly due to cessation of tray washing business and lower revenue generated in the NGV business by the Thailand subsidiaries.

Gross Profit Margin

The Group's profit margin had increased from 29% to 35% as compared to period ended 31 December 2014 (hereinafter, "the previous financial period"). The improvement in the Group's gross profit margin was due to cessation of tray washing business in Thailand (which was attributing lower margin) and improved margin from the NGV business in Singapore.

Profit for the Period

The Group had a profit of S\$0.06 million for the current financial period as compared to a profit of S\$0.38 million for the previous financial period. The decrease in profit was mainly due to the Group having a net income of S\$0.22 million under other operating income for the current financial period as compared to net income of S\$0.96 million for the previous financial period. This was mainly due to the unrealized exchange loss arising from recorded monetary balances denominated in foreign currencies in the current financial period. Details of other operating income is on Page 1 of the announcement.

BALANCE SHEET

Non-current assets

The Group's non-current assets had increased from S\$0.53 million as at 30 June 2015 to S\$0.60 million as at 31 December 2015. The increase was mainly due to trade receivables, offsetted by depreciation made during the period.

Current assets

The Group's current assets had decreased from S\$3.39 million as at 30 June 2015 to S\$3.28 million as at 31 December 2015. The decrease was mainly due to decrease in inventories.

Current liabilities

The Group's current liabilities had decreased from S\$2.06 million as at 30 June 2015 to S\$1.75 million as at 31 December 2015. The decrease in Group's current liabilities was due to repayment of trade and other payables and lower accrued expenses.

Non-current liabilities

The Group's non-current liabilities remained unchanged.

CASH FLOW STATEMENT

The Group's cash and cash equivalents as at 31 December 2015 had decreased by S\$0.20 million to S\$1.40 million as compared to the balance of S\$1.60 million as at 30 June 2015. The decrease was mainly due to payment of trade and other payables.

- 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, to enhance the profitability of the Group's existing businesses.

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.

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 2015.

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 2015 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

3 February 2016

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