



Asian Micro Holdings Limited

HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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 2017 S\$'000	6 mths ended 31 December 2016 S\$'000	% Changes
Revenue	2,165	2,113	2%
Cost of Sales	(1,497)	(1,402)	7%
Gross Profit	668	711	-6%
Distribution and selling expenses	(13)	(23)	-43%
Administrative expenses	(1,166)	(970)	20%
Other operating income, net	125	878	-86%
(Loss) / profit from operation	(386)	596	NM
Financial (expenses) / income, net	(3)	1	NM
(Loss) / profit before taxation	(389)	597	NM
Taxation	(4)	(2)	100%
(Loss) / profit for the period	(393)	595	NM
Attributable to :			
Equity holders of the Company	(391)	549	NM
Non-controlling interests	(2)	46	NM
(Loss) / profit for the period	(393)	595	NM
Other comprehensive income (net of tax) :			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(109)	(806)	-86%
Total comprehensive income for the period	(502)	(211)	138%
Attributable to :			
Equity holders of the Company	(497)	(106)	369%
Non-controlling interests	(5)	(105)	-95%
	(502)	(211)	138%

NM: Not Meaningful

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

Foreign exchange gain	120	848
Sales of scrap	1	23
Other income	5	7

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

Depreciation	(98)	(95)
Interest on borrowing	(3)	(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 2017 S\$'000	30 June 2017 S\$'000	31 December 2017 S\$'000	30 June 2017 S\$'000
<u>Non-Current Assets</u>				
Plant and equipment	234	200	56	120
Investment in subsidiaries	-	-	31	31
Other receivables	34	1,600	-	-
	268	1,800	87	151
<u>Current Assets</u>				
Inventories	41	32	-	-
Development Properties	1,619	-	-	-
Trade and other receivables	760	659	8	6
Prepayments	17	18	7	12
Other current assets	5	10	-	-
Due from subsidiaries (non-trade), net	-	-	481	712
Fixed deposits	201	201	-	-
Cash and bank balances	732	1,288	56	381
	3,375	2,208	552	1,111
Total Assets	3,643	4,008	639	1,262
<u>Current Liabilities</u>				
Trade and other payables	806	726	18	9
Accrued expenses	524	318	255	144
Due to related parties (non-trade), net	6	6	3	3
Loan from Director	591	834	-	-
Obligations under finance lease	37	41	21	41
Income tax payable	43	40	-	-
	2,007	1,965	297	197
Net Current Assets	1,368	243	255	914
<u>Non-Current Liabilities</u>				
Obligations under finance lease	122	80	80	80
Deferred tax liabilities	1	1	1	1
	123	81	81	81
Total Liabilities	2,130	2,046	378	278
Net Assets	1,513	1,962	261	984
<u>Equity attributable to owners of the Company</u>				
Share capital	42,914	42,862	42,914	42,862
Share option reserve	40	40	40	40
Foreign currency translation reserve	(163)	(57)	-	-
Other reserve	96	96	96	96
Accumulated losses	(41,529)	(41,138)	(42,789)	(42,014)
	1,358	1,803	261	984
Non-controlling interests	155	159	-	-
Total Equity	1,513	1,962	261	984
Total Equity and Liabilities	3,643	4,008	639	1,262

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

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

As at 31/12/2017		As at 30/6/2017	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
37	591	41	834

Amount repayable after one year :-

As at 31/12/2017		As at 30/6/2017	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
122	-	80	-
159	591	121	834

Details of any collateral:

- a) The Group's trade credit facilities are secured by :
 - (i) Corporate guarantee of S\$440,000 from the Company;
 - (ii) Fixed deposits of approximately S\$201,000; 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\$153,000.

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 2017	6 mths ended 31 December 2016
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss) / profit before tax	(389)	597
Adjustments for :		
Depreciation of plant and equipment	98	95
Exchange difference	(119)	(821)
Interest expenses	3	4
Interest income	-	(7)
Operating loss before working capital changes	(407)	(132)
Increase in stocks	(9)	(55)
Increase in trade and other receivables	(102)	(4)
Decrease / (increase) in prepayments	1	(6)
Increase / (decrease) in amount due to related parties	52	(17)
Increase / (decrease) in trade and other payables	285	(4)
Cash used in operations	(180)	(218)
Interest paid	(3)	(4)
Interest income received	-	7
Income tax paid	(1)	-
Net cash used in operating activities	(184)	(215)
Cash flow from investing activities		
Additions to development properties	(1)	-
Purchase of plant and equipment	(61)	(1)
Net cash used in investing activities	(62)	(1)
Cash flows from financing activities		
Loan from director	61	-
Repayment of finance lease obligations	(28)	(27)
Repayment of loan from director	(331)	-
Net cash used in financing activities	(298)	(27)
Net decrease in cash and cash equivalents	(544)	(243)
Effect of exchange rate changes in cash and cash equivalents	(12)	15
Cash and cash equivalents at beginning of year	1,288	1,904
Cash and cash equivalents at end of period	732	1,676
Fixed deposit pledged	201	201
Total fixed deposit, cash and bank balances	933	1,877

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 2017	1,962	1,803	(41,138)	42,862	40	39	159
Net loss for the period	(393)	(391)	(391)	-	-	-	(2)
Other comprehensive income for the period, net of tax							
Foreign currency translation differences for foreign operations	(109)	(106)	-	-	-	(106)	(3)
Other comprehensive income for the period	(109)	(106)	-	-	-	(106)	(3)
Total comprehensive income for the period	(502)	(497)	(391)	-	-	(106)	(5)
Contribution by and distributions to owners							
Issuance of ordinary shares	52	52	-	52	-	-	-
Changes in ownership interests in subsidiary							
Acquisition of subsidiary	1	-	-	-	-	-	1
Total contribution by and distributions to owners	53	52	-	52	-	-	1
Balance as at 31 December 2017	1,513	1,358	(41,529)	42,914	40	(67)	155

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 2016	2,064	3,132	(40,599)	42,862	40	829	(1,068)
Net (loss) / profit for the year	(50)	(539)	(539)	-	-	-	489
Other comprehensive income for the year, net of tax							
Foreign currency translation differences for foreign operations	(785)	(666)	-	-	-	(666)	(119)
Foreign currency reserve realised on loss of control of subsidiaries	(124)	(124)	-	-	-	(124)	-
Other comprehensive income for the year	(909)	(790)	-	-	-	(790)	(119)
Total comprehensive income for the year	(959)	(1,329)	(539)	-	-	(790)	370
Changes in ownership interests in subsidiaries							
Capital contribution from non-controlling interest	32	-	-	-	-	-	32
Disposal of subsidiary	889	-	-	-	-	-	889
Strike off of subsidiary	(64)	-	-	-	-	-	(64)
Total contribution by and distributions to owners	857	-	-	-	-	-	857
Balance as at 30 June 2017	1,962	1,803	(41,138)	42,862	40	39	159

Company	Total 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 2017	984	42,862	40	96	(42,014)
Net loss for the period, representing total comprehensive income for the period	(775)	-	-	-	(775)
Contribution by and distributions to owners					
Issuance of ordinary shares	52	52	-	-	-
Balance as at 31 December 2017	261	42,914	40	96	(42,789)

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 2016	(391)	42,862	40	96	(43,389)
Net profit for the year, representing total comprehensive income for the year	1,375	-	-	-	1,375
Balance as at 30 June 2017	984	42,862	40	96	(42,014)

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 or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2017		31 December 2016	
	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
Assignment Shares	4,344	52	-	-
Balance as at the end of the period	631,727	42,914	627,383	42,862

During the period under review, the Company issued and allotted 4,344,359 ordinary shares (“Assignment Shares”) in respect of the assignment agreement in relation to the proposed acquisition of properties, as announced on 21 November 2017, 7 December 2017 and 11 December 2017.

As at 31 December 2017 and 31 December 2016, 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 2017 or 31 December 2016.

The Company held no treasury shares as at 31 December 2017 and 31 December 2016.

There was no subsidiary holding as at 31 December 2017 and 31 December 2016.

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 2017, the Company’s issued and paid-up capital comprises 631,727,420 ordinary shares (30 June 2017: 627,383,061 ordinary shares). There are no treasury shares held by the Company as at 31 December 2017.

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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the 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 2017, 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 2017.

The adoption of the new/revised FRSs did not result in any substantial change to the Group's accounting policies or have 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 2017 S\$ cent	6 mths ended 31 December 2016 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	(0.06)	0.09
(b). On a fully diluted basis	(0.06)	0.09

Note:

a) (Loss) / profit per share is calculated based on the weighted average number of ordinary shares in issue during the period ended 31 December 2017 and 31 December 2016, 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 2017 S\$ cents	30 June 2017 S\$ cents
Net asset value for the Group	0.24	0.31
Net asset value for the Company	0.04	0.16

- 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\$2.11 million to S\$2.17 million. The increase in revenue was mainly due to higher trading revenue and revenue from NGV related business by the Singapore subsidiaries.

Gross Profit Margin

The Group's profit margin had decreased from 34% to 31% mainly due to NGV related business.

Loss for the Period

The Group had a loss of S\$0.39 million for the current financial period as compared to a profit of S\$0.60 million for the previous financial period, mainly due to net other operating income of S\$0.13 million for the current financial period as compared to net other operating income of S\$0.88 million for the previous financial period. This was mainly due to the decrease in unrealised exchange gain 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 decreased from S\$1.8 million as at 30 June 2017 to S\$0.27 million as at 31 December 2017. The decrease was mainly due to development properties being recognised to current assets during the period.

Current assets

The Group's current assets had increased from S\$2.21 million as at 30 June 2017 to S\$3.38 million as at 31 December 2017. The increase was mainly due to development properties offset by the decrease in cash and cash equivalents.

Current liabilities

The Group's current liabilities remained materially unchanged.

Non-current liabilities

The Group's non-current liabilities had increased from S\$0.08 million to S\$0.12 million mainly due to drawdown of finance lease in the current financial period.

CASH FLOW STATEMENT

The Group's cash and cash equivalents as at 31 December 2017 had decreased by S\$0.56 million to S\$0.73 million as compared to the balance of S\$1.29 million as at 30 June 2017. The decrease was mainly due to repayment of loan and purchase 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.**

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, management remains focused to enhance its operational efficiency and monitor its operating expenses in the face of economic uncertainties, to enhance the profitability of the Group's existing businesses.

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

Management expects the property development environment to be challenging due to stricter regulatory control of loans from the banks. However, the management will continue to seek opportunities to acquire new properties and carry out developments, to expand the new business segment which will subsequently generate revenue for the Group.

- 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 period ended 31 December 2017.

- 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 Ng Chee Wee, 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 statements for the first half results ended 31 December 2017 to be false or misleading in any material aspect.

- 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

By Order of the Board

Lim Kee Liew @ Victor Lim

Executive Chairman, Chief Executive Officer and Group Managing Director

8 February 2018

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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