



# Asian Micro Holdings Limited

HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

## 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 2019 S\$'000	6 mths ended 31 December 2018 S\$'000	% Changes
Revenue	2,179	2,286	-5%
Cost of Sales	(1,531)	(1,657)	-8%
<b>Gross Profit</b>	<b>648</b>	<b>629</b>	<b>3%</b>
Distribution and selling expenses	(10)	(10)	0%
Administrative expenses	(823)	(1,022)	-19%
Other operating income, net	492	193	155%
<b>Profit/(loss) from operation</b>	<b>307</b>	<b>(210)</b>	<b>NM</b>
Financial expenses, net	(1)	(2)	-50%
<b>Profit/(loss) before taxation</b>	<b>306</b>	<b>(212)</b>	<b>NM</b>
Taxation	-	(1)	NM
<b>Profit/(loss) for the period</b>	<b>306</b>	<b>(213)</b>	<b>NM</b>
<b>Attributable to :</b>			
Equity holders of the Company	298	(213)	NM
Non-controlling interests	8	-	NM
<b>Profit/(loss) for the period</b>	<b>306</b>	<b>(213)</b>	<b>NM</b>
<b>Other comprehensive income (net of tax) :</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences for foreign operations	(283)	(223)	27%
<b>Total comprehensive income for the period</b>	<b>23</b>	<b>(436)</b>	<b>NM</b>
<b>Attributable to :</b>			
Equity holders of the Company	25	(429)	NM
Non-controlling interests	(2)	(7)	-71%
	<b>23</b>	<b>(436)</b>	<b>NM</b>

NM: Not Meaningful

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

* Foreign exchange gain	287	187
* Waiver of payables	201	-
* Other income	3	7

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

* Depreciation	(35)	(35)
* Interest on borrowing	(1)	(3)

**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 2019 S\$'000	30 June 2019 S\$'000	31 December 2019 S\$'000	30 June 2019 S\$'000
<b><u>Non-Current Assets</u></b>				
Plant and equipment	55	90	4	6
Investment properties	526	524	-	-
Investment in subsidiaries	-	-	31	31
Other receivables	34	33	-	-
	615	647	35	37
<b><u>Current Assets</u></b>				
Development Properties	1,615	1,609	-	-
Inventories	58	57	-	-
Trade and other receivables	570	765	8	8
Prepayments	11	18	7	11
Due from subsidiaries (non-trade), net	-	-	1,760	2,146
Fixed deposits	202	202	-	-
Cash and bank balances	496	330	184	184
	2,952	2,981	1,959	2,349
<b>Total Assets</b>	<b>3,567</b>	<b>3,628</b>	<b>1,994</b>	<b>2,386</b>
<b><u>Current Liabilities</u></b>				
Trade and other payables	656	952	22	123
Accrued expenses	610	486	213	173
Due to related parties (non-trade), net	5	5	3	3
Loan from Director	322	212	322	212
Obligations under finance lease	15	37	15	37
Income tax payable	47	47	-	-
	1,655	1,739	575	548
<b>Net Current Assets</b>	<b>1,297</b>	<b>1,242</b>	<b>1,384</b>	<b>1,801</b>
<b><u>Non-Current Liabilities</u></b>				
Obligations under finance lease	-	-	-	-
Deferred tax liabilities	1	1	1	1
	1	1	1	1
<b>Total Liabilities</b>	<b>1,656</b>	<b>1,740</b>	<b>576</b>	<b>549</b>
<b>Net Assets</b>	<b>1,911</b>	<b>1,888</b>	<b>1,418</b>	<b>1,837</b>
<b><u>Equity attributable to owners of the Company</u></b>				
Share capital	45,654	45,654	45,654	45,654
Share option reserve	40	40	40	40
Foreign currency translation reserve	(1,087)	(814)	-	-
Other reserve	(1,034)	(1,034)	(1,035)	(1,035)
Accumulated losses	(41,749)	(42,047)	(43,241)	(42,822)
	1,824	1,799	1,418	1,837
Non-controlling interests	87	89	-	-
<b>Total Equity</b>	<b>1,911</b>	<b>1,888</b>	<b>1,418</b>	<b>1,837</b>
<b>Total Equity and Liabilities</b>	<b>3,567</b>	<b>3,628</b>	<b>1,994</b>	<b>2,386</b>

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

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

<b>As at 31/12/2019</b>		<b>As at 30/6/2019</b>	
<b>S\$000</b>		<b>S\$000</b>	
Secured	Unsecured	Secured	Unsecured
15	322	37	212

**Amount repayable after one year :-**

<b>As at 31/12/2019</b>		<b>As at 30/6/2019</b>	
<b>S\$000</b>		<b>S\$000</b>	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

<b>15</b>	<b>322</b>	<b>37</b>	<b>212</b>
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**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\$201,700; 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 obligation is secured by motor vehicle of the Company which has been fully depreciated.

- 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 2019	6 mths ended 31 December 2018
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before tax</b>	306	(212)
Adjustments for :		
Depreciation of plant and equipment	35	35
Exchange difference	(294)	(151)
Waiver of payables	(201)	-
Interest expenses	1	3
<b>Operating loss before working capital changes</b>	<b>(153)</b>	<b>(325)</b>
Increase in stocks	(1)	(80)
Decrease in trade and other receivables	196	2
Decrease in prepayments	8	12
Increase in trade and other payables	27	240
<b>Cash generated from/(used in) operations</b>	<b>77</b>	<b>(151)</b>
Interest paid	(1)	(3)
Income tax paid	-	(1)
<b>Net cash generated from/(used in) operating activities</b>	<b>76</b>	<b>(155)</b>
<b>Cash flow from investing activities</b>		
Additional to development properties	-	(3)
Purchase of plant and equipment	-	(3)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(6)</b>
<b>Cash flows from financing activities</b>		
Loan from director	110	-
Repayment of finance lease obligations	(22)	(21)
Repayment of loan from director	-	(7)
<b>Net cash from/(used in) financing activities</b>	<b>88</b>	<b>(28)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>164</b>	<b>(189)</b>
<b>Effect of exchange rate changes in cash and cash equivalents</b>	<b>2</b>	<b>(12)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>330</b>	<b>534</b>
<b>Cash and cash equivalents at end of period</b>	<b>496</b>	<b>333</b>
<b>Fixed deposit pledged</b>	<b>202</b>	<b>201</b>
<b>Total fixed deposit, cash and bank balances</b>	<b>698</b>	<b>534</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	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	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2019 (SFRS(I) framework)</b>	<b>1,888</b>	<b>1,799</b>	<b>(42,047)</b>	<b>45,654</b>	<b>40</b>	<b>(1,848)</b>	<b>89</b>
Net profit for the period	306	298	298	-	-	-	8
Other comprehensive income for the period, net of tax							
Foreign currency translation differences for foreign operations	(283)	(273)	-	-	-	(273)	(10)
Other comprehensive income for the period	(283)	(273)	-	-	-	(273)	(10)
Total comprehensive income for the period	23	25	298	-	-	(273)	(2)
<b>Balance as at 31 December 2019</b>	<b>1,911</b>	<b>1,824</b>	<b>(41,749)</b>	<b>45,654</b>	<b>40</b>	<b>(2,121)</b>	<b>87</b>

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	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2018 (SFRS(I) framework)</b>	<b>1,714</b>	<b>1,595</b>	<b>(41,804)</b>	<b>43,433</b>	<b>40</b>	<b>(74)</b>	<b>119</b>
Net loss for the year	(252)	(243)	(243)	-	-	-	(9)
Other comprehensive income for the year, net of tax							
Foreign currency translation differences for foreign operations	(664)	(643)	-	-	-	(643)	(21)
Other comprehensive income for the year	(664)	(643)	-	-	-	(643)	(21)
Total comprehensive income for the year	(916)	(886)	(243)	-	-	(643)	(30)
Contribution by and distributions to owners							
Issuance of ordinary shares	1,090	1,090	-	2,221	-	(1,131)	-
Total contribution by and distributions to owners	1,090	1,090	-	2,221	-	(1,131)	-
<b>Balance as at 30 June 2019</b>	<b>1,888</b>	<b>1,799</b>	<b>(42,047)</b>	<b>45,654</b>	<b>40</b>	<b>(1,848)</b>	<b>89</b>

Company	Total equity	Share Capital	Share Option Reserves	Other reserves	Accumulated Losses
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2019</b>	<b>1,837</b>	<b>45,654</b>	<b>40</b>	<b>(1,035)</b>	<b>(42,822)</b>
Net loss for the period, representing total comprehensive income for the period	(419)	-	-	-	(419)
<b>Balance as at 31 December 2019</b>	<b>1,418</b>	<b>45,654</b>	<b>40</b>	<b>(1,035)</b>	<b>(43,241)</b>

Company	Total equity	Share Capital	Share Option Reserves	Other reserves	Accumulated Losses
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2018</b>	<b>1,302</b>	<b>43,433</b>	<b>40</b>	<b>96</b>	<b>(42,267)</b>
Net loss for the year, representing total comprehensive income for the year	(555)	-	-	-	(555)
Contribution by and distributions to owners					
Issuance of ordinary shares	1,090	2,221	-	(1,131)	-
Total contribution by and distributions to owners	1,090	2,221	-	(1,131)	-
<b>Balance as at 30 June 2019</b>	<b>1,837</b>	<b>45,654</b>	<b>40</b>	<b>(1,035)</b>	<b>(42,822)</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consideration 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.**

	<b>Company</b>			
	31 December 2019		31 December 2018	
	No of shares ( '000)	Share Capital (S\$ '000)	No of shares ( '000)	Share Capital (S\$ '000)
Balance as at the beginning of the period	1,065,183	45,654	688,309	43,433
Balance as at the end of the period	1,065,183	45,654	688,309	43,433

As at 31 December 2019 and 31 December 2018, the Company had outstanding ESOS 2010 options which upon conversion would result in the issue of 2,000,000 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 2019 or 31 December 2018.

The Company did not hold any treasury shares as at 31 December 2019 and 31 December 2018.

There was no subsidiary holding as at 31 December 2019 and 31 December 2018.

**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 2019, the Company's issued and paid-up capital comprises 1,065,182,795 ordinary shares (30 June 2019:1,065,182,795 ordinary shares). There are no treasury shares held by the Company as at 31 December 2019.

**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 modifications or emphasis of a matter).**

Not applicable.

**3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion : -**

- a) Updates on the efforts taken to resolve each outstanding audit issue.

The audited financial statements for the year ended 30 June 2019 was not subjected to an adverse opinion, qualified opinion or disclaimer of opinion.

- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2019, 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 the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are effective for annual periods beginning on or after 1 July 2019 and are relevant to its operations. The adoption of these new SFRS(I)s, specifically SFRS(I) 16 Leases, resulted in changes to the Group's and the Company's accounting policies but has no material effect on the amounts reported for the current or prior financial years.

**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 2019 S\$ cent	6 mths ended 31 December 2018 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	0.03	(0.03)
(b). On a fully diluted basis	0.03	(0.03)

Note:

- a) Profit/(loss) per share is calculated based on the weighted average number of ordinary shares in issue during the period ended 31 December 2019 and 31 December 2018, 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 2019 S\$ cents	30 June 2019 S\$ cents
Net asset value for the Group	0.18	0.18
Net asset value for the Company	0.13	0.17

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\$2.29 million to S\$2.18 million. The decrease in revenue was mainly due to lower revenue generated from trading related business by the Singapore subsidiary.

#### **Gross Profit Margin**

The Group's profit margin had increased from 28% to 30% mainly due to NGV related business.

#### **Profit/(loss) for the Period**

The Group had a profit of S\$0.31 million for the current financial period as compared to a loss of S\$0.21 million for the previous financial period, mainly due to higher gross profit of S\$0.02 million, decrease in administrative expenses of S\$0.20 million and increase in other operating income of S\$0.30 million mainly due to waiver of director remuneration. 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\$0.65 million as at 30 June 2019 to S\$0.62 million as at 31 December 2019. The decrease was mainly due to depreciation of plant and equipment.

#### **Current assets**

The Group's current assets had decreased from S\$2.98 million as at 30 June 2019 to S\$2.95 million as at 31 December 2019. The decrease was mainly due to trade and other receivables.



### **Current liabilities**

The Group's current liabilities decreased from S\$1.74 million as at 30 June 2019 to S\$1.66 million as at 31 December 2019. The decrease was mainly due to trade and other payables, offset by an increase in 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 2019 increased by S\$0.17 million to S\$0.50 million as compared to the balance of S\$0.33 million as at 30 June 2019. The increase was mainly due to net cash generated from operating and financing activities.

**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 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, management will expand the new business segment, if opportunity arises.

**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, and the reason(s) for the decision.**

No dividend has been declared by the Company for the period ended 31 December 2019, as the Company wishes to conserve cash so as to ensure sufficiency of funds for its daily business and operational needs.

**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 2019 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

11 February 2020

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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