



Asian Micro Holdings Limited

PROFORMA HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2009

PART I - Information required for announcement of half year results

1a An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	S\$'000		% Change
	6 mths ended 31/12/2009	6 mths ended 31/12/2008	
Revenue	5,106	9,294	-45%
Cost of Sales	(4,560)	(7,396)	-38%
Gross Profit	546	1,898	-71%
Distribution & selling expenses	(172)	(836)	-79%
Administrative expenses	(1,391)	(1,709)	-19%
Other operating income	120	851	-86%
Other operating expenses	(574)	(1,017)	-44%
Loss before tax from continuing operation	(1,471)	(813)	81%
Financial expenses	(89)	(126)	-29%
Financial income	1	23	-96%
Loss on disposal of subsidiaries and associate	(243)	(31)	684%
Share of profit / (loss) of associated companies	-	16	-100%
Loss before taxation from continuing Operations	(1,802)	(931)	94%
Taxation	83	48	NM
Loss from continuing operations, net of tax	(1,719)	(883)	95%
Profit from discontinued operations, net of tax	-	-	NM
Loss for the period	(1,719)	(883)	95%
Attributable to :			
Equity holders of the company	(1,719)	(847)	NM
Minority interest	-	(36)	NM
Total profit	(1,719)	(883)	95%
Other comprehensive income / (loss) (net of tax):			
Currency translation differences	(91)	(35)	160%
Total comprehensive income for the period	(1,810)	(918)	97%
Attributable to:			
Equity holders of the parent	(1,809)	(903)	
Minority interests	1	15	
	(1,810)	(918)	

Note : NM - Not Meaningful

Loss from continuing operation, net of tax is derived at after (charging) / crediting of :-

* Depreciation	(414)	(589)
* Doubtful debts written back	37	161
* Interest on borrowings	(89)	(98)
* Loss on disposal of plant & equipment	(24)	(49)
* Loss on disposal of subsidiaries and associate	(243)	(31)
* Net foreign exchange gain / (loss)	(212)	(475)
* Allowance for doubtful debts	(59)	-
* Provision for obsolete inventory	-	(16)
* Rental income from investment property	-	95

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2009 S\$'000	30/6/2009 S\$'000	31/12/2009 S\$'000	30/6/2009 S\$'000
<u>Non-Current Assets</u>				
Property, plant & equipment	1,463	2,066		
Investment in subsidiaries			2,059	2,059
Investment in associated company	-	326		
Investment property				
	1,463	2,392	2,059	2,059
<u>Current Assets</u>				
Inventories	4,020	4,285		
Trade receivables	2,268	1,702		
Other receivables & deposits	1,787	859	60	26
Tax recoverable		36		36
Due from subsidiaries (NT)			3,912	3,075
Due from affiliated companies (NT)		96		
Due from related party (NT)	70	1	38	
Fixed deposits	374	370	76	75
Cash and bank balances	925	604	16	12
	9,444	7,953	4,102	3,224
<u>Current Liabilities</u>				
Bank overdrafts				
Trade & other payables	4,899	3,712	777	464
Due to director (NT)	518	10		
Due to related party (NT)	231	64		
Bills payable to banks	923	764		
Interest bearing loan & borrowings	174	202		
Provision for taxation	242	271		
	6,987	5,023	777	464
Net current assets	2,457	2,930	3,325	2,760
<u>Non-current liabilities</u>				
Interest-bearing loans & borrowings	69	183		
Deferred tax liability	1	1	1	1
	70	184	1	1
Net Assets	3,850	5,138	5,383	4,818
<u>Represented by :</u>				
Share capital	37,174	36,653	37,174	36,653
Share option reserve	256	256	256	256
Premium paid on acquisition of MI	(638)	(638)		
Other reserve	96	96	96	96
Translation reserve	555	646		
Accumulated losses	(33,844)	(32,125)	(32,143)	(32,187)
	3,599	4,888	5,383	4,818
Minority interest	251	250	-	-
Total Equity	3,850	5,138	5,383	4,818
	-	-	-	-

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

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

As at 31/12/2009		As at 30/6/2009	
Secured	Unsecured	Secured	Unsecured
1,097	518	966	10

Amount repayable after one year :-

As at 31/12/2009		As at 30/6/2009	
Secured	Unsecured	Secured	Unsecured
69	-	183	-

1,166	518	1,149	10
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Details of any collateral :

a) The Group's trade credit facilities and banker guarantees are secured by fixed deposits of approximately S\$0.37 million pledged to a bank.

b) The Group's lease obligations are secured by motor vehicles of its subsidiaries with net book value of approximately S\$0.1 million respectively.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	6 mths ended 31/12/2009	6 mths ended 31/12/2008
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before taxation from continuing operations	(1,802)	(931)
Profit before tax from discontinued operation	-	-
Loss before taxation	(1,802)	(931)
Adjustments :		
Depreciation of property, plant & equipment	414	589
Loss on disposal of property, plant & equipment	2	49
Loss on disposal of subsidiaries and an associated company	243	-
Interest expense	89	98
Interest income	(1)	(23)
Provision for obsolete inventories		16
Allowance for doubtful debts	59	
Doubtful debts written back	(37)	(161)
Fixed asset written off	24	-
Share of associated company (profit) / loss		(16)
Share-based payment expenses		15
Currency translation	136	(558)
Operating loss before working capital changes	(873)	(922)
Decease / (Increase) in inventories	265	(1,111)
(Decrease) / Increase in trade & other receivables	(1,494)	578
Decrease in amount due from associated companies		147
Decrease / (Increase) in amount due from affiliated company (trade)	96	(27)
Increase in trade and other payables	1,187	1,758
Increase / (Decrease) in bills payable to banks	158	(759)
Increase in amount due to directors (non-trade)		25
Decrease in due to associated companies		(55)
Increase / (Decrease) in amount due to affiliated companies (non-trade)	97	(647)
Cash used in operations	(564)	(1,013)
Interest paid	(89)	(98)
Interest income received	1	23
Income tax refunded	119	2
Income taxes paid	(29)	(48)
Net cash used in operating activities	(562)	(1,134)
Cash flow from investing activities		
Proceed from disposal of property, plant & equipment	124	411
Proceed from disposal of subsidiary		129
Purchase of property, plant & equipment	(130)	(336)
Proceed from disposal of investment property		3,200
Proceed from disposal of associated company	-	-
Net cash (used in) / from investing activities	(6)	3,404
Cash flows from financing activities		
Pledge of fixed deposits		15
Loan from directors	508	
Proceeds from issuance of new shares	521	-
Repayment of loans & borrowings		(1,622)
Repayment of finance lease obligations	(142)	(191)
Net cash from / (used in) financing activities	887	(1,798)
Net increase in cash and cash equivalents	319	472
Cash and cash equivalents at beginning of period	606	1,202
Cash and cash equivalents at end of period	925	1,674
Cash and bank balances	1,299	2,188
Less: Fixed deposit pledged	(374)	(483)
Cash and cash equivalents as at 31 Dec	925	1,705
Discontinued operation	-	-
Cash and cash equivalents, including discontinued operation at end of the period	925	1,705

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 capitalisation 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	Other reserves \$'000	Premium Paid on Acquisition MI \$'000	Accumulated Losses \$'000	Total \$'000	Minority Interest \$'000	Total Equity \$'000
Balance as at 1 July 2009	36,653	256	742	(638)	(32,125)	4,888	250	5,138
Total comprehensive income for the period			(91)		(1,719)	(1,810)	1	(1,809)
	36,653	256	651	(638)	(33,844)	3,078	251	3,329
Proceeds from shares issued	521					521		521
Balance as at 31 Dec 2009	37,174	256	651	(638)	(33,844)	3,599	251	3,850

Group \$'000	Share Capital \$'000	Share Option Reserves \$'000	Other reserves \$'000	Premium Paid on Acquisition MI \$'000	Accumulated Losses \$'000	Total \$'000	Minority Interest \$'000	Total Equity \$'000
Balance as at 1 July 2008	36,653	276	594	(638)	(24,681)	12,204	404	12,608
Total comprehensive income for the period	-	-	(35)	-	(847)	(882)	(21)	(903)
	36,653	276	559	(638)	(25,528)	11,322	383	11,705
Grant of equity-settled share options to employees	-	15	-	-	-	15	-	15
Cancellation of share options to employees	-	(55)	-	-	55	-	-	-
Balance as at 31 Dec 2008	36,653	236	559	(638)	(25,473)	11,337	383	11,720

1(d)(i)

Company \$'000	Share Option			Accumulated	Total \$'000
	Share Capital \$'000	Reserves \$'000	Other reserves \$'000	Losses \$'000	
Balance as at 1 July 2009	36,653	256	96	(32,187)	4,818
Net loss for the period	-	-	-	44	44
Proceeds from shares issued	521	-	-	-	521
Balance as at 31 Dec 2009	37,174	256	96	(32,143)	5,383

Company \$'000	Share Option			Accumulated	Total \$'000
	Share Capital \$'000	Reserves \$'000	Other reserves \$'000	Losses \$'000	
Balance as at 1 July 2008	36,653	276	-	(32,534)	4,395
Net loss for the period	-	-	-	21	21
Share option expenses	-	15	-	-	15
Cancellation of employee share options	-	(55)	-	55	-
Balance as at 31 Dec 2008	36,653	236	-	(32,458)	4,431

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 number 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.

During this period, the Company issued 5,555,554 new shares to settle its amount due to directors and 13,240,000 new shares to settle its trade payables to Zhejiang JinDun.

The number of unissued ordinary share under options in relation to the Company's Employee Share Option Scheme outstanding as at 31 December 2009 is 16,680,000 which was all granted during this period, the prior period offered Employee Share Option was fully cancelled.

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 2009, the Company's issued and paid-up capital comprises 363,591,041 ordinary shares (30 June 2009: 344,795,487 ordinary shares).

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 standard

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 statements for the current reporting period compared with those for the audited financial statements as at 30 June 2009, 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.

On 1 July 2009, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") which are effective for annual periods beginning on or after 1 July 2009

The following are the new or amended FRS that are relevant to the Group:-

- (i) FRS 1 (Revised) Presentation of Financial Statements
- (ii) FRS 108 Operating Segments

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements. However, there is a change in presentation of the Statement of Comprehensive income under FRS 1 (Revised). Based on the requirements of the standard, the Group:-

- Separated the presentation of owner and non-owner changes in equity. the Statements of changes in Equity include only details of transactions with owners, with all non-owner changes in equity presented as a single line as "Total comprehensive income/loss for the period".
- Elected to present all items of income and expense, including those accounted for directly in equity, in one statement.

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 31/12/2009 S\$ cent	6 months ended 31/12/2008 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	(0.47)	(0.25)
(b). On a fully diluted basis	(0.47)	(0.25)

Note :

(a) Loss per share is calculated based on the weighted average number of ordinary share in issue during the period ended 31 December 2009

(b) Loss per share on a fully diluted basis is computed based on the weighted average number of shares during the period adjusted to assume conversion of all potential dilutive ordinary shares.

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.**

	31/12/2009 S\$ cents	30/06/2009 S\$ cents
Net asset value for the Group	1.06	1.45
Net asset value for the Company	1.48	1.40

- 8 A review of the performance 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 by S\$4.2 million to S\$5.1 million for the six months period ended 31 December 2009. The decrease in revenue was mainly due to the economic downturn and all our sales were affected.

Gross profit margin

The Group's gross profit margin had decreased from 20.4% to 10.7%. The decrease in the Group's gross profit margin was mainly due to the economic downturn.

Loss from continuing operations

The Group had incurred a loss from continuing operations of S\$1.81 million for this financial period as compared to a loss of S\$0.9 million in the last corresponding financial period. The main reason is due to the drop in gross profit margin despite the reduction of the following expenses:

a) A decrease in distribution and selling expenses

Distribution & selling expenses had decreased by S\$0.66 million to S\$0.17 million which was mainly due to cost cutting measures implemented.

b) A decrease in administrative expenses

Administrative expenses had decreased by S\$0.32 million to S\$1.39 million for this financial period. The decrease was mainly due to the cost cutting measures implemented by the Group during the financial period. As part of the cost cutting measures, the Group had reduced Directors' remuneration, Directors' fee, as well as not providing bonus for calendar year 2009 and further reducing group headcount.

c) A decrease in other operating income

Other operating income had decreased by S\$0.73 million to S\$0.12 million. The decrease was due to the drop of scrap sales from S\$0.60 million to \$0.10 million and the non-occurrence of S\$0.10 million rental income from an investment property at 20 Tech Park Crescent which was sold in Dec 2008.

d) A decrease in other operating expenses

Other operating expenses had decreased by S\$0.44 million to S\$0.57 million. The decrease is due to the lower foreign exchange loss suffered in the current period. Depreciation charge was also lower in the current period as some property, plant and equipment were fully impaired in Jun 2009.

Balance Sheet

Non-current assets

The Group's non-current assets had decreased by S\$0.93 million to S\$1.46 million as at 31 December 2009. The decrease was mainly due to depreciation charged which leads to the decrease in the net book value of the Group's property, plant and equipment and the disposal of investment in an associated company.

Current assets

The Group's current assets had increased by S\$1.49 million to S\$9.44 million as at 31 December 2009. The increase in the Group's current assets was mainly due to a S\$0.57 million increase in Group Trade receivables as there was increase in sales in the tray cleaning and manufacturing businesses in Singapore towards the end of 2009. The increase was also due to a S\$0.93 million increase in other receivables mainly due to advances to suppliers and a S\$0.32 million increase in cash and bank balances as at 31 December 2009 mainly due to an advance from customer for order of trucks.

Current liabilities

The Group's current liabilities had increased by S\$2.03 million to S\$7.06 million as at 31 December 2009. The increase in the Group's current liabilities was mainly due to a S\$1.19 million increase in trade & other payables (an advance from customer), a S\$0.51 million increase in loan from directors, a S\$0.17 million increase in amount due to related parties and a S\$0.16 million increase in current loans and borrowings.

Non-current liabilities

The Group's non-current liabilities had decreased by S\$1.5 million to S\$0.2 million as at 31 December 2008. The decrease in the Group's non-current liabilities was mainly due to a S\$1.4 million decrease in non-current loans and borrowings as at 31 December 2009 as the Group has paid off most of its non-current portion of hire purchase creditors.

Cash flow statement

The Group's cash and cash equivalents as at 31 December 2009 had decreased by S\$0.78 million to S\$0.93 million as compared to as at 31 December 2008. The decrease was mainly due to the absence of S\$3.20 million proceed from disposal of investment property, the repayment of S\$1.62 million loans and the cash & cash equivalents at the beginning of period was lesser by S\$0.60 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with the profit warning announced on 9 Feb 2010.

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.

While the Group's tray cleaning business remains challenging in the 2nd half of this financial year especially in China due to global effect of financial crisis, the Group will continue to implement more cost-cutting measures. The tray cleaning business in Singapore and Thailand is improving after the aftermath of the global financial crisis, and swift actions will be taken to streamline the China operation.

Singapore has committed on the huge reduction of CO2 emission going forward, and directions include emission reduction of transportation vehicles. The Group intends to improve the business of CNG powered vehicles which can cut down CO2 emission drastically which is to take advantage of the directions given. However, the cost of Certificate of Entitlement to register the CNG powered vehicles may affect the promotion on the sales of such vehicles. As such, the Group will be placing a lot of emphasis to get the industries to use CNG off-the-road vehicles (i.e. CNG forklifts, and towing tractors) which the Group has been developing.

As there are signs of the improvement in the 1st half of this financial year 2010 over the 2nd half of last financial year, the Company would stride harder for improvement.

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 paid for the current reporting period.**

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 6 months period ended 31 December 2009.

13 Interested Person Transactions

	Aggregate value of all transactions S\$'000
American Converters Industries Pte Ltd	18
Ultraline Technology (S) Pte Ltd	126
Ultraline Holdings (Thailand) Co., Ltd	37
Asian Micro Industries (Thailand) Co., Ltd	63

14 Confirmation by the Board

We, Lim Kee Liew @ Victor Lim and Leong Lai Heng, 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 2009 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Victor Lim
Group Managing Director

Leong Lai Heng
Director

PART II - Additional information required for full year announcement

- 15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 17 A breakdown of sales**

Not applicable.

- 18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows :-**

Not applicable.

By Order of the Board
Victor Lim
Group Managing Director
11th February 2010