



Asian Micro Holdings Limited

HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2012

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 2012 S\$'000	6 mths ended 31 December 2011 S\$'000	% Changes
Revenue	3,118	3,245	-4%
Cost of Sales	(2,274)	(2,326)	-2%
Gross Profit	844	919	-8%
Distribution & selling expenses	(82)	(75)	9%
Administrative expenses	(1,208)	(1,250)	-3%
Other operating (expense)/income, net	(279)	527	NM
(Loss) / Profit from operation	(725)	121	NM
Financial expenses	(28)	(34)	-18%
(Loss) / Profit before taxation	(753)	87	NM
Taxation	-	-	NM
(Loss) / Profit for the period	(753)	87	NM
Attributable to :			
Equity holders of the Company	(787)	358	NM
Non-controlling interests	34	(271)	NM
(Loss) / Profit for the period	(753)	87	NM
Other comprehensive income / (loss) (net of tax):			
Foreign currency translation	328	(759)	NM
Total comprehensive loss for the period	(425)	(672)	-37%
Attributable to:			
Equity holders of the Company	(463)	(362)	28%
Non-controlling interests	38	(310)	NM
	(425)	(672)	-37%

Note : NM - Not Meaningful

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

* Allowance for stocks obsolescence	-	(403)
* Foreign exchange (loss)/gain	(351)	862
* Gain on disposal of property, plant and equipment	40	99
* Write back of allowance for stock obsolescence	16	1

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

* Depreciation	(189)	(195)
* Impairment of property, plant and equipment	-	(75)
* Interest on borrowing	(28)	(22)

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 2012 S\$'000	30 June 2012 S\$'000	31 December 2012 S\$'000	30 June 2012 S\$'000
Non-Current Assets				
Property, plant & equipment	1,135	1,209	483	519
Current Assets				
Inventories	1,622	871	-	-
Trade and other receivables	1,541	1,292	6	10
Prepayments	177	92	16	13
Due from related parties (non-trade)	109	109	5	5
Fixed deposits	404	429	-	25
Cash and bank balances	250	1,416	5	3
	4,103	4,209	32	56
Current Liabilities				
Trade & other payables	1,663	1,520	139	71
Accrued expenses	859	879	319	294
Loan from related party	-	331	-	-
Due to subsidiaries (non-trade), net	-	-	928	1,524
Due to related parties (non-trade)	961	1,092	11	100
Bills payable to banks	443	231	-	-
Obligations under finance lease	162	147	80	79
	4,088	4,200	1,477	2,068
Net current assets / (liabilities)	15	9	(1,445)	(2,012)
Non-current liabilities				
Obligations under finance lease	354	377	200	241
Deferred tax liabilities	1	1	1	1
Due to related parties (non-trade)	94	366	14	251
Loan from related party	51	302	-	-
	500	1,046	215	493
Net Assets / (Liabilities)	650	172	(1,177)	(1,986)
Represented by :				
Share capital	39,650	38,674	39,650	38,674
Share option reserve	247	321	247	321
Other reserve	96	96	96	96
Foreign currency translation reserve	1,560	1,236	-	-
Accumulated losses	(40,324)	(39,538)	(41,170)	(41,077)
	1,229	789	(1,177)	(1,986)
Non-controlling interests	(579)	(617)	-	-
Total Equity / (Deficit)	650	172	(1,177)	(1,986)

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

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

As at 31/12/2012		As at 30/6/2012	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
605	-	378	331

Amount repayable after one year :-

As at 31/12/2012		As at 30/6/2012	
S\$000		S\$000	
Secured	Unsecured	Secured	Unsecured
354	51	377	302

959	51	755	633
-----	----	-----	-----

Details of any collateral:

- a) The Group's trade credit facilities and banker guarantees are secured by:
- (i) fixed deposits of approximately S\$404,000;
 - (ii) corporate guarantee of S\$2,540,000 from the Company;
 - (iii) a legal mortgage over a property of an affiliated company, American Converters Industries Pte Ltd (owned by the director and controlling shareholders of the Company); and
 - (iv) joint and several guarantee of S\$440,000 from the director and controlling shareholders of the Company.
- b) The Group's lease obligations are secured by motor vehicles of its subsidiaries with net book value of approximately S\$815,000.

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 2012	6 mths ended 31 December 2011
	SS'000	SS'000
Cash flows from operating activities		
(Loss) / Profit before tax	(753)	87
Adjustments for :		
Write-off of doubtful debts	1	-
Allowance for stock obsolescence	-	403
Write-back of allowance for stock obsolescence	(16)	(1)
Depreciation of property, plant and equipment	189	195
Gain on disposal of property, plant and equipment	(40)	(99)
Impairment loss on property, plant and equipment	-	75
Interest expenses	28	22
Share-based payment expenses	103	106
Operating (loss) / profit before working capital changes	(488)	788
(Increase) / Decrease in stocks	(86)	12
Increase in trade and other receivables	(28)	(100)
Increase in amount due from related parties	-	(282)
Increase in prepayments	(10)	-
Decrease in amount due to related parties	(1)	-
Increase / (Decrease) in trade and other payables	52	(224)
Increase / (Decrease) in bills payable to bank	25	(348)
Cash generated used in operations	(536)	(155)
Interest paid	(28)	(22)
Net cash used in operating activities	(564)	(177)
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	40	134
Purchase of property, plant and equipment	(78)	(165)
Net cash used in investing activities	(38)	(31)
Cash flows from financing activities		
Loan from related party	(582)	330
Proceeds from issue of share capital	80	-
Repayment of finance lease obligations	(74)	(74)
Fixed deposits withdrawn / (pledged)	25	(1)
Net cash (used in) / generated from financing activities	(551)	255
Net (decrease)/increase in cash and cash equivalents	(1,153)	47
Effect of exchange rate changes in cash and cash equivalents	(13)	-
Cash and cash equivalents at beginning of year	1,416	272
Cash and cash equivalents at end of period	250	319

- 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 \$'000	Share Capital \$'000	Share Option Reserves \$'000	Translation and other reserves \$'000	Accumulated Losses \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
Balance as at 1 July 2012	38,674	321	1,332	(39,538)	789	(617)	172
Total comprehensive loss for the period	-	-	324	(787)	(463)	38	(425)
Issue of ordinary shares via private placement	600	-	-	-	600	-	600
Grant of equity-settled share options to employees	-	103	-	-	103	-	103
Exercise of employee share options	376	(176)	-	-	200	-	200
Expiry of employee share options	-	(1)	-	1	-	-	-
Balance as at 31 December 2012	39,650	247	1,656	(40,324)	1,229	(579)	650

Group \$'000	Share Capital \$'000	Share Option Reserves \$'000	Translation and other reserves \$'000	Accumulated Losses \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
Balance as at 1 July 2011	38,674	390	1,620	(39,487)	1,197	(419)	778
Total comprehensive income for the period	-	-	(720)	358	(362)	(310)	(672)
Grant of equity-settled share options to employees	-	106	-	-	106	-	106
Expiry of employee share options	-	(228)	-	228	-	-	-
Balance as at 31 December 2011	38,674	268	900	(38,901)	941	(729)	212

Company \$'000	Share Capital \$'000	Share Option Reserves \$'000	Other reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2012	38,674	321	96	(41,077)	(1,986)
Total comprehensive income/(loss) for the period	-	-	-	(94)	(94)
Issue of ordinary shares via private placement	600	-	-	-	600
Grant of equity-settled share options to employees	-	103	-	-	103
Exercise of employee share options	376	(176)	-	-	200
Expiry of share options to employees	-	(1)	-	1	-
Balance as at 31 December 2012	39,650	247	96	(41,170)	(1,177)

Company \$'000	Share Capital \$'000	Share Option Reserves \$'000	Other reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance as at 1 July 2011	38,674	390	96	(39,796)	(636)
Total comprehensive income/(loss) for the period	-	-	-	404	404
Grant of equity-settled share options to employees	-	106	-	-	106
Expiry of share options to employees	-	(228)	-	228	-
Balance as at 31 December 2011	38,674	268	96	(39,164)	(126)

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 2012		31 December 2011	
	No of shares ('000)	Share Capital (\$ '000)	No of shares ('000)	Share Capital (\$ '000)
Balance as at the beginning of the period	463,591	38,674	463,591	38,674
Private Placement	46,154	600	-	-
Exercise of ESOS 2010 options	14,300	376	-	-
Balance as at the end of the period	524,045	39,650	463,591	38,674

During the period under review, the Company:-

- (a) granted 11,050,000 share options in relation to the Employee Share Option Scheme 2010 ("ESOS 2010");
- (b) issued and allot 46,153,846 placement shares by way of a private placement; and
- (c) issued and allot 14,300,000 shares in relation to the exercise of options by the employees.

As at 31 December 2011 and 31 December 2012, the Company had outstanding ESOS 2010 options the conversion of which would result in the issue of 23,700,000 and 20,950,000 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 2011 or 31 December 2012.

The Company held no treasury shares as at 31 December 2012 and 31 December 2011.

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 2012, the Company's issued and paid-up capital comprises 524,044,889 ordinary shares (30 June 2012: 463,591,043 ordinary shares). There are no treasury shares as at 31 December 2012.

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 Jun 2012, 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 2012.

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 months ended 31 December 2012 S\$ cent	6 months ended 31 December 2011 S\$ cent
(a). Based on weighted average number of ordinary shares in issue ; and	(0.17)	0.08
(b). On a fully diluted basis	(0.17)	0.08

Notes:

- a) Loss / Earning per share is calculated based on the weighted average number of ordinary shares issue during the period ended 31 December 2012
- b) For the period ended 31 December 2012, share options granted to employees under ESOS 2010 have not be 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 2012 S\$ cents	30 June 2012 S\$ cents
Net asset value for the Group	0.12	0.04
Net asset value for the Company	(0.22)	(0.43)

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\$3.25 million to S\$3.12 million. The decrease in revenue was mainly due to cessation of business by one of the subsidiaries in Singapore.

Gross Profit Margin

The Group's profit margin had decreased slightly from 28% to 27% as compared to period ended 31 December 2011 (hereinafter called "previous financial period").

Loss for the Period

The Group had a loss of S\$0.75 million for current financial period as compared to a profit of S\$0.09 million for previous financial period. The loss was mainly due to the following reasons:

- a) (Increase in Other Operating Expense)/Decrease in Other Operating Income
The (increase in other operating expense)/decrease in other operating income was mainly due to the fluctuation of USD resulting in exchange loss of approximately \$351,000. Details of other operating income/(expense) is on Page 1 of this announcement.
- b) Increase in Distribution & Selling Expenses
The increase in distribution and selling expense was mainly due to the increase in utilities expenses incurred during current financial period.

BALANCE SHEET

Non-current assets

The Group's non-current assets had decreased from S\$1.21 million as at 30 June 2012 to S\$1.14 million as at 31 December 2012. The decrease was mainly due to depreciation made during the period, partially offset by purchase of motor vehicle.

Current assets

The Group's current assets had decreased from S\$4.21 million as at 30 June 2012 to S\$4.10 million as at 31 December 2012. The decrease was mainly due to utilization of insurance claim received, partially offset by the increase in the inventories.

Current liabilities

The Group's current liabilities had decreased from S\$4.20 million as at 30 June 2012 to S\$4.09 million as at 31 December 2012. The decrease in Group's current liabilities was due to a decrease in loan from related party and amount due to related parties. However, the decrease was partially offset by increase in bills payable to bank and financial lease obligation.

Non-current liabilities

The Group's non-current liabilities had decreased from S\$1.05 million as at 30 June 2012 to S\$0.50 million as at 31 December 2012. The decrease in the Group's non-current liabilities was due to decrease in amounts owing to related parties and loan from related party after private placement of shares.

CASH FLOW STATEMENT

The Group's cash and cash equivalents as at 31 December 2012 had decreased by S\$1.17 million to S\$0.25 million as compared to the balance of S\$1.42 million as at 30 June 2012. The decrease was mainly due to repayment of loan from related party, settlement of amount due to related parties and increase in stocks during the year.

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 Group continues to face challenging conditions in FY2013. The Group will continue its cost cutting effort and measures to improve its bottom line by focusing on profit making subsidiaries and taking actions to terminate any loss making business.

While the market condition is expected to remain challenging for FY2013 and the Group expects further drop in revenue, the Management will continue to consolidate 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/recommendeded, a statement to that effect.

No dividend has been paid and declared by the Company for the period ended 31 December 2012.

- 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 2012 to be false or misleading in any material aspect.

On Behalf of the Board of Directors

Lim Kee Liew @ Victor Lim
Group Managing Director

Lin Xianglong Winchester
Executive Director

8 February 2013

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 Lau Yan Wai
Telephone number: +65 6381 6757