

**Company Announcements Office
Australian Stock Exchange
4th Floor, 20 Bridge Street
Sydney NSW**

25 February 2019

Dear Sir/Madam

Please find following the Appendix 4D and Half-Year Financial Report of Ambertech Limited for the period ended 31 December 2018.

Kind regards

A handwritten signature in black ink, appearing to read "R. Glasson", with a long horizontal flourish extending to the right.

**Robert Glasson
Company Secretary**

Ambertech Limited and Controlled Entities
ACN 079 080 158

Appendix 4D and Half Year Report
Period Ended 31 December 2018

For Immediate Release 25 February 2019

Results for Announcement to the market
Further Explanation of the Results
Outlook for the business
Financial Data
Half Year Financial Report

Results for Announcement to the Market

For the period ended 31 December 2018

Key Information

The following information is provided to the ASX under listing rule 4.2A.

	31 Dec 18	31 Dec 17	Movement	
	\$'000	\$'000	\$'000	%
Revenue from ordinary activities	32,473	27,293	5,180	19.0
Profit after income tax for the period attributable to members	335	488	(153)	(31.4)
Net profit for the period attributable to members	335	488	(153)	(31.4)

Dividend History

The Board has advised that there will be no interim dividend in respect of the period ended 31 December 2018.

	Amount	Franked
Interim dividends		
In respect of the half-year ended 31 December 2018	Nil	100%
In respect of the half-year ended 31 December 2017	Nil	100%
Final Dividends		
In respect of the year ended 30 June 2018	Nil	100%
In respect of the year ended 30 June 2017	Nil	100%

Key Ratios

	31 Dec 18	31 Dec 17
Net tangible assets per security	29.8c	30.9c

Further Explanation of the results follows in the attached commentary and Half Year Financial Report

Further Explanation of the Results

For the period ended 31 December 2018

Result for the year

	31 Dec 18 \$'000	31 Dec 17 \$'000	Change %
Revenue	32,473	27,293	19.0
EBIT	681	803	(15.2)
Net finance costs	(324)	(327)	
Profit before income tax	357	476	(25.0)

The December 2018 half-year saw a significant increase in sales, driven by strong broadcast equipment sales in the Professional Segment of our business. Margins in this area of growth were less than the business generally obtains other areas of the business, and as such the overall EBIT and profit before tax for the company did not see the same growth over the previous corresponding period.

Further explanation of the result is included in the segment results below.

Segment Results

Lifestyle Entertainment Segment

Sales revenue down 5.0% to \$14,461,000 (Dec 17: \$15,229,000). **EBIT** down 118.3% to \$(213,000) (Dec 17: \$1,161,000).

Sales in the half-year period to December 2018 were subdued during the first quarter of the financial year. Sales from our dealer network in residential and commercial installation markets were steady, however sales to the major Consumer Electronics retailers were down, despite the strong relationships we maintain with our retail partners.

Professional Segment

Sales revenue up 57.8% to \$16,669,000 (Dec 17: \$10,562,000). **EBIT** up 1031% to \$1,136,000 (Dec 17: \$(122,000)).

Our Professional segment had a number of successes during the period, which is highlighted by the improvement in sales revenue for the period. There were several successful installations of broadcast equipment by our Media Systems team and resulted in a pleasing EBIT result for the period. Our pipeline for project work remains strong and we are hopeful of reflecting this in second half performance.

New Zealand Segment

Sales revenue up 0.5% to \$1,691,000 (Dec 17: \$1,682,000). **EBIT** up 36.4% to \$(70,000) (Dec 17: \$(110,000)).

Results for the period to 31 December 2018 were again poor for our New Zealand operation, however we continue to reshape the cost structure of this segment of our operations to improve results in the future.

Outlook for the business

The second half of the year has been more difficult for the business in recent years, however we continue to hold a strong forward order book at present and continue to seek and add new agencies to complement our portfolio. Our pipeline for completing capital equipment sales in our media systems area continues to be encouraging, across both our traditional media market and new growth area markets.

On behalf of the Board

A handwritten signature in black ink, appearing to read "Robert Glasson".

Robert Glasson
Company Secretary

Financial Data

	31 Dec 18	31 Dec 17	Movement	
	\$'000	\$'000	\$'000	%
Sales Revenue				
Lifestyle Entertainment	14,461	15,229		
Professional	16,669	10,562		
New Zealand	1,691	1,682		
Inter-segment	(356)	(188)		
Total Sales Revenue	32,465	27,285	5,180	19.0
Segment Result				
Lifestyle Entertainment	(213)	1,161		
Professional	1,136	(122)		
New Zealand	(70)	(110)		
Unallocated/Corporate	(172)	(126)		
Earnings before interest and tax (EBIT)	681	803	(122)	(15.2)
Net interest expense	(324)	(327)		
Net profit before tax	357	476	(119)	(25.0)
Income tax (expense)/benefit	(22)	12		
Net profit for the period	335	488	(153)	(31.4)
Key Ratios				
EBIT/Sales	2.1%	2.9%		
Inventory/Sales	21.0%	22.7%		
Receivables/Sales	16.3%	17.1%		
Basic earnings per share	1.1c	1.6c		

For further information, please contact our Company Secretary, Mr Robert Glasson.



AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

HALF-YEAR FINANCIAL REPORT

PERIOD ENDED 31 DECEMBER 2018

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

Your directors submit the financial report of Ambertech Limited (referred to hereafter as the consolidated entity) comprising Ambertech Limited and the entities it controlled for the half-year ended 31 December 2018.

Directors

The following persons were directors of Ambertech Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated.

Peter Francis Wallace

Peter Andrew Amos

Edwin Francis Goodwin

Thomas Robert Amos

David Rostil Swift

Review of Operations

A review of the operations of the consolidated entity during the half-year and the results of these operations are set out in the attached Appendix 4D.

Results of Operations

The consolidated profit after providing for income tax for the period ended 31 December 2018 was \$335,000, down by \$153,000 on the previous corresponding period (2017: \$488,000). Revenue for the period was \$32,473,000 (2017: \$27,293,000). Further information on the operating results are included in the attached Appendix 4D.

Dividend

There were no dividends paid or declared during the half-year ended 31 December 2018.

Rounding of Amounts

The company is an entity to which Class Order 98/100 applies and, in accordance with this class order, amounts in this report and the financial report have been rounded off to the nearest thousand dollars unless otherwise indicated.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 2.

Signed in accordance with a resolution of directors.



P F Wallace
Chairman of Directors



P A Amos
Managing Director

Dated this 25th day of February 2019
Sydney

DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF AMBERTECH LIMITED

As lead auditor for the review of Ambertech Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ambertech Limited and the entities it controlled during the period.



Paul Bull
Partner

BDO East Coast Partnership

Sydney, 25 February 2019

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31-Dec-18 \$'000	31-Dec-17 \$'000
Revenues	32,473	27,293
Cost of sales	(23,535)	(18,792)
Gross Profit	8,938	8,501
Other income	-	-
Employee benefits expense	(5,143)	(4,634)
Distribution costs	(733)	(728)
Marketing costs	(275)	(482)
Premises costs	(989)	(980)
Travel costs	(299)	(216)
Depreciation and amortisation expense	(224)	(129)
Finance costs	(324)	(327)
Other expenses	(594)	(529)
Profit before income tax	357	476
Income tax (expense)/benefit	(22)	12
Profit after income tax for the half-year	335	488
Other comprehensive income		
Exchange differences on translation of foreign operations	44	(49)
Total comprehensive income for the half-year	379	439
Earnings per share		
Basic earnings per share (cents)	1.1	1.6
Diluted earnings per share (cents)	1.1	1.6

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	31-Dec-18	30-Jun-18
		\$'000	\$'000
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents		1,183	859
Trade and other receivables		12,179	9,013
Inventories		13,936	13,302
TOTAL CURRENT ASSETS		27,298	23,174
NON-CURRENT ASSETS			
Plant and equipment		1,061	1,254
Intangible assets		69	78
Deferred tax assets		1,210	1,230
TOTAL NON-CURRENT ASSETS		2,340	2,562
TOTAL ASSETS		29,638	25,736
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade and other payables		11,227	9,084
Other financial liabilities		6,213	4,726
Provisions		1,666	1,764
TOTAL CURRENT LIABILITIES		19,106	15,574
NON-CURRENT LIABILITIES			
Provisions		128	134
Deferred tax liabilities		3	6
TOTAL NON-CURRENT LIABILITIES		131	140
TOTAL LIABILITIES		19,237	15,714
NET ASSETS		10,401	10,022
<u>EQUITY</u>			
Share capital		11,138	11,138
Reserves		34	(10)
Accumulated losses		(771)	(1,106)
TOTAL EQUITY		10,401	10,022

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Share Based Payments Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2018	11,138	(14)	4	(1,106)	10,022
Profit for the half-year	-	-	-	335	335
Exchange differences on translation of foreign operations	-	44	-	-	44
Total comprehensive income for the half-year	-	44	-	335	379
Transactions with equity holders:					
Costs of share based payments	-	-	-	-	-
Balance as at 31 December 2018	11,138	30	4	(771)	10,401
Balance as at 1 July 2017	11,138	33	-	(963)	10,208
Profit for the half-year	-	-	-	488	488
Exchange differences on translation of foreign operations	-	(49)	-	-	(49)
Total comprehensive income for the half-year	-	(49)	-	488	439
Transactions with equity holders:					
Costs of share based payments	-	-	3	-	3
Balance as at 31 December 2017	11,138	(16)	3	(475)	10,650

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31-Dec-18	31-Dec-17
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	32,346	27,122
Payments to suppliers and employees	(30,523)	(26,097)
Interest received	8	9
Interest and other costs of finance paid	(324)	(327)
Income taxes paid	-	-
Goods and services tax remitted	(2,640)	(2,193)
Net cash used in operating activities	(1,133)	(1,486)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of plant and equipment	(22)	(49)
Net cash used in investing activities	(22)	(49)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,474	1,541
Net cash provided by financing activities	1,474	1,541
Net increase in cash and cash equivalents held	319	6
Cash and cash equivalents at beginning of period	859	1,014
Effect of exchange rate changes on cash and cash equivalents	5	(1)
Cash and cash equivalents at end of period	1,183	1,019

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF COMPLIANCE

This general purpose interim financial report for the half-year ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International financial Reporting Standard IAS 34 'interim financial reporting'.

This interim financial report does not include all the notes of a type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2018 and any public announcements made by Ambertech Limited during the interim financial reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in preparing this financial report for the half-year ended 31 December 2018 are consistent with those applied in the annual financial report for the year ended 30 June 2018, unless otherwise stated.

NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following new Accounting Standards and Interpretations are most relevant to the consolidated entity:

(i) **AASB 9: Financial Instruments**

The consolidated entity has applied AASB 9 using the modified retrospective approach and the related consequential amendments to other Accounting Standards for the first time. The requirements under AASB 9 that are applicable to the consolidated entity and the impact of its application is disclosed below:

Classification and measurement of financial assets

The directors have reviewed and assessed the Group's existing financial assets as at 1 July 2018 based on the facts and circumstances that existed at that date and have concluded that the application of AASB 9 has had no material impact on the classification or measurement of the Group's financial assets. Financial assets that were measured at fair value through profit or loss (FVTPL) or amortised cost under AASB 139 continue to be measured at fair value or amortised cost under AASB 9.

Impairment of financial assets

The directors have reviewed and assessed the Group's existing financial assets and trade receivables for impairment using the AASB 9 expected credit loss model as opposed to the AASB 139 incurred credit loss model and have concluded that the application of AASB 9 has had no material impact on the Group's impairment allowance required for existing financial assets and trade receivables.

With effect from 1 July 2018, the Group's new accounting policy in respect to impairment of financial assets is as follows:

Financial assets, other than those at fair value through profit or loss, shall recognise a loss allowance for expected credit losses and changes in those expected credit losses at each reporting date to recognise the 12 month or lifetime expected credit losses determined by the significance of the change in credit risk since initial recognition of the financial asset.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

- (ii) *AASB 15: Revenue from Contracts with Customers, and the relevant amending standards* (applicable to annual reporting periods beginning on or after 1 January 2018).

This Standard replaces the previous accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 applies to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process: The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The Group has reviewed and assessed the Group's revenue streams based on the application of AASB 15 and the impact of its application is disclosed below:

The majority of the Group sales are for sale of goods, where there is a single performance obligation and revenue is recognised at the point of sale or, where later, delivery to the end customer. There is no material impact from the adoption of AASB 15 on these sales. The revenue recognition approach historically applied by the Group for these sales are consistent with the principals of AASB 15.

Other revenue sources for the group include:

- Contract revenue with milestone arrangements; and
- Maintenance and support contracts.

Based on an analysis of these revenue streams, the directors have determined that the Group's accounting policies do not require change upon adoption of the new revenue recognition Standard.

Impact of Adoption

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group as at 31 December 2018, and there was no impact on the opening retained earnings as at 1 July 2018.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 3: EVENTS SUBSEQUENT TO REPORTING DATE

No matters have arisen which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

NOTE 4: DIVIDENDS

	31-Dec-18 \$'000	31-Dec-17 \$'000
Recognised as distributions to equity holders		
There was no fully franked final dividend paid during the half-year ended 31 December 2018.	-	-
Declared before the interim report is authorised for issue but not recognised as distributions to equity holders at the end of the period		
Fully franked interim dividend	-	-

NOTE 5: SEGMENT REPORTING

	Professional 31-Dec-18 \$'000	Lifestyle Entertainment 31-Dec-18 \$'000	New Zealand 31-Dec-18 \$'000	Eliminations 31-Dec-18 \$'000	Total 31-Dec-18 \$'000
Total segment revenue	16,668	14,144	1,653	-	32,465
Inter-segment revenue	1	317	38	(356)	-
Revenue from external customers	16,669	14,461	1,691	(356)	32,465
Result					
Segment EBIT	1,136	(213)	(70)	-	853
Unallocated/corporate result					(172)
EBIT					681
Net interest and finance costs					(324)
Profit before income tax					357
Income tax expense					(22)
Profit for the half-year					335

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 5: SEGMENT REPORTING (continued)

	Professional	Lifestyle Entertainment	New Zealand	Eliminations	Total
	31-Dec-17	31-Dec-17	31-Dec-17	31-Dec-17	31-Dec-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	10,551	15,053	1,681	-	27,285
Inter-segment revenue	11	176	1	(188)	-
Revenue from external customers	10,562	15,229	1,682	(188)	27,285
Result					
Segment EBIT	(122)	1,161	(110)	-	929
Unallocated/corporate result					(126)
EBIT					803
Net interest and finance costs					(327)
Profit before income tax					476
Income tax benefit					12
Profit for the half-year					488

	Professional	Lifestyle Entertainment	New Zealand	Unallocated/ Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Segment Assets					
31 December 2018	11,229	14,299	1,859	2,251	29,638
30 June 2018	7,804	14,152	1,826	1,954	25,736
Total Segment Liabilities					
31 December 2018	6,881	4,447	907	7,002	19,237
30 June 2018	4,965	4,315	992	5,442	15,714

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*



P F Wallace
Chairman of Directors



P A Amos
Managing Director

Dated this 25th day of February 2019
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ambertech Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Ambertech Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

A handwritten signature in black ink. The signature starts with 'BDO' in a stylized, cursive-like font, followed by 'Paul Bull' in a more fluid, cursive script. The signature ends with a period.

Paul Bull
Partner

Sydney, 25 February 2019