



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

23 February 2017

Dear Sir/Madam

Please find following the Appendix 4D and Half-Year Financial Report of Ambertech Limited for the period ended 31 December 2016.

Kind regards

A handwritten signature in black ink, appearing to read "R. Glasson", written in a cursive style.

Robert Glasson
Company Secretary



Ambertech Limited and Controlled Entities
ACN 079 080 158

Appendix 4D and Half Year Report
Period Ended 31 December 2016

For Immediate Release 23 February 2017

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 2016

Key Information

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

	31 Dec 16	31 Dec 15	Movement	
	\$'000	\$'000	\$'000	%
Revenue from ordinary activities	26,236	28,832	(2,596)	(9.00)
Profit after income tax for the period attributable to members	461	491	(30)	(6.11)
Net profit for the period attributable to members	461	491	(30)	(6.11)

Dividend History

The Board has advised that there will be no interim dividend in respect of the period ended 31 December 2016.

	Amount	Franked
Interim dividends		
In respect of the half-year ended 31 December 2016	Nil	100%
In respect of the half-year ended 31 December 2015	Nil	100%
Final Dividends		
In respect of the year ended 30 June 2016	Nil	100%
In respect of the year ended 30 June 2015	Nil	100%

Key Ratios

	31 Dec 16	31 Dec 15
Net tangible assets per security	33.0c	32.1c

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 2016

Result for the year

	31 Dec 16 \$'000	31 Dec 15 \$'000	Change %
EBIT	780	859	(9.2)
Net finance costs	(369)	(460)	
Profit before income tax	411	399	3.0

EBIT for the period to December 2016 reduced from the previous corresponding period, due in the main to some patchy sales results in the first quarter of the financial year. Reduced facility usage and renegotiated terms with our primary lender reduced the burden of finance costs on the business this reporting period and as a result the profit before tax of the business rose by 3.0% over the previous corresponding period.

Whilst inventory levels had increased at the reporting date, this is more a function of project inventory being held for installation, along with other fast moving items shipped to major retailers in January rather than December. Other key metrics of the business remained steady over the period, and we have successfully introduced some new brands to the market which will assist our second half results.

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

Segment Results

Lifestyle Entertainment Segment

Sales revenue down 16.9% to \$14,357,000 (Dec 15: \$17,284,000). **EBIT** down 39.0% to \$759,000 (Dec 15: \$1,245,000).

Our Lifestyle Entertainment group remained profitable; however results were down on those achieved during the previous corresponding period. Market conditions in the first quarter of the financial year were slower industry-wide for our dealer based business and this impacted our results.

Sales to the major retail market were also subdued during the period, as the current release models of one of our major suppliers were unable to maintain the competitive advantage seen in the previous corresponding period. Recent product launches at international trade shows provide us with renewed confidence for future reporting periods.

Other key brands continued to show performance improvement, with further successes expected in the second half of the financial year. We continue to work on improving returns from each brand that the group represents in the market place. Opportunities for growth from new agencies added to our portfolio will be enhanced by ongoing marketing efforts in the coming months, and we continue to seek new brands that are complementary or are considered to be in growth areas.



Professional Segment

Sales revenue up 2.9% to \$10,039,000 (Dec 15: \$9,758,000). **EBIT** up 275% to \$142,000 (Dec 15: \$(81,000)).

Ambertech's professional segment returned growth over the previous corresponding period, driven by strong sales performance from our dealer based business in professional products. Our media systems offerings in this segment are predominantly project based, with recurring revenue from support contracts. This area had a significant amount of pre-sales activity during the period under review; however the number of completed projects, particularly in growth areas such as law enforcement, defence and mining with communications systems, were lower this period.

New Zealand Segment

Sales revenue up 6.1% to \$1,960,000 (Dec 15: \$1,848,000). **EBIT** up 64.9% to \$(33,000) (Dec 15: \$(94,000)).

Ambertech has focused on expanding our product offerings in New Zealand and leveraging more off our Australian operations in order to restore profitability to this segment. During the period under review we have continued to see market share gains, and the pipeline for future projects that would assist in returning this segment to profits continues to improve.

Outlook for the business

Whilst the second half of the financial year is typically a more difficult period for our Lifestyle Entertainment segment, we are confident that some new sales and marketing initiatives in the coming months will assist with future results, particularly as we look to boost the growth potential of new brands recently introduced under the Ambertech banner.

Our pipeline for completing capital equipment sales in our media systems area continues to be uncertain, although the level of pre sales and tender work is very 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 "R. Glasson", is written over a light blue horizontal line.

Robert Glasson
Company Secretary

Financial Data

	31 Dec 16	31 Dec 15	Movement	
	\$'000	\$'000	\$'000	%
Sales Revenue				
Lifestyle Entertainment	14,357	17,284		
Professional	10,039	9,758		
New Zealand	1,960	1,848		
Inter-segment	(128)	(67)		
Total Sales Revenue	26,228	28,823	(2,595)	(9.0)
Segment Result				
Lifestyle Entertainment	759	1,245		
Professional	142	(81)		
New Zealand	(33)	(94)		
Unallocated/Corporate	(88)	(211)		
Earnings before interest and tax (EBIT)	780	859	(79)	(9.2)
Net interest expense	(369)	(460)		
Net profit before tax	411	399	12	3.0
Income tax benefit	50	92		
Net profit for the period	461	491	(30)	(6.1)
Key Ratios				
EBIT/Sales	3.0%	3.0%		
Inventory/Sales	25.6%	24.8%		
Receivables/Sales	17.1%	16.6%		
Basic earnings per share	1.5c	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 2016

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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 2016.

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 result after providing for income tax for the period ended 31 December 2016 was \$461,000, in line with the previous corresponding period (2015: \$491,000). Revenue for the period was \$26,236,000 (2015: \$28,832,000). 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 2016.

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 23rd day of February 2017
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 2016, 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, 23 February 2017

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 2016

	31-Dec-16 \$'000	31-Dec-15 \$'000
Revenues	26,236	28,832
Cost of sales	(17,653)	(20,005)
Gross Profit	8,583	8,827
Other income	-	-
Employee benefits expense	(4,519)	(4,405)
Distribution costs	(772)	(733)
Marketing costs	(695)	(901)
Premises costs	(997)	(1,001)
Travel costs	(211)	(246)
Depreciation and amortisation expense	(130)	(136)
Finance costs	(369)	(460)
Other expenses	(479)	(546)
Profit before income tax	411	399
Income tax benefit/(expense)	50	92
Profit after income tax for the half-year	461	491
Other comprehensive income		
Exchange differences on translation of foreign operations	9	50
Total comprehensive income for the half-year	470	541
Earnings per share		
Basic earnings per share (cents)	1.5	1.6
Diluted earnings per share (cents)	1.5	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 2016

	Note	31-Dec-16 \$'000	30-Jun-16 \$'000
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents		917	948
Trade and other receivables		9,867	8,084
Current tax assets		-	-
Inventories		13,947	12,942
TOTAL CURRENT ASSETS		24,731	21,974
NON-CURRENT ASSETS			
Plant and equipment		1,062	1,153
Intangible assets		3	7
Deferred tax assets		1,210	1,174
TOTAL NON-CURRENT ASSETS		2,275	2,334
TOTAL ASSETS		27,006	24,308
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade and other payables		8,403	8,134
Other financial liabilities		5,527	3,534
Provisions		1,576	1,580
TOTAL CURRENT LIABILITIES		15,506	13,248
NON-CURRENT LIABILITIES			
Provisions		186	200
Other financial liabilities		-	-
Deferred tax liabilities		4	20
TOTAL NON-CURRENT LIABILITIES		190	220
TOTAL LIABILITIES		15,696	13,468
NET ASSETS		11,310	10,840
<u>EQUITY</u>			
Share capital		11,138	11,138
Reserves		40	31
Retained earnings		132	(329)
TOTAL EQUITY		11,310	10,840

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 2016

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2016	11,138	31	(329)	10,840
Profit for the half-year	-	-	461	461
Exchange differences on translation of foreign operations	-	9	-	9
Total comprehensive income for the half-year	-	9	461	470
Transactions with equity holders:				
Costs of share based payments	-	-	-	-
Balance as at 31 December 2016	11,138	40	132	11,310
Balance as at 1 July 2015	11,138	(33)	(566)	10,539
Profit for the half-year	-	-	491	491
Exchange differences on translation of foreign operations	-	50	-	50
Total comprehensive income for the half-year	-	50	491	541
Transactions with equity holders:				
Costs of share based payments	-	-	-	-
Balance as at 31 December 2015	11,138	17	(75)	11,080

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 2016

	31-Dec-16	31-Dec-15
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	27,063	29,471
Payments to suppliers and employees	(26,666)	(28,027)
Interest received	9	9
Interest and other costs of finance paid	(369)	(460)
Income taxes paid	-	-
Goods and services tax remitted	(2,016)	(2,258)
Net cash (used in) operating activities	(1,979)	(1,265)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of plant and equipment	(34)	(32)
Net cash (used in) investing activities	(34)	(32)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	2,008	1,722
Repayment of borrowings	(20)	(399)
Net cash provided by financing activities	1,988	1,323
Net increase in cash and cash equivalents held	(25)	26
Cash and cash equivalents at beginning of period	948	1,521
Effect of exchange rate changes on cash and cash equivalents	(6)	(21)
Cash and cash equivalents at end of period	917	1,526

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 2016**

NOTE 1: STATEMENT OF COMPLIANCE

This general purpose interim financial report for the half-year ended 31 December 2016 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 2016 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 2016 are consistent with those applied in the annual financial report for the year ended 30 June 2016, 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.

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.

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 2016

NOTE 4: DIVIDENDS

	31-Dec-16 \$'000	31-Dec-15 \$'000
Recognised as distributions to equity holders		
There was no fully franked final dividend paid during the half-year ended 31 December 2016.	-	-
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-16 \$'000	Lifestyle Entertainment 31-Dec-16 \$'000	New Zealand 31-Dec-16 \$'000	Eliminations 31-Dec-16 \$'000	Total 31-Dec-16 \$'000
Total segment revenue	10,039	14,242	1,947	-	26,228
Inter-segment revenue	-	115	13	(128)	-
Revenue from external customers	10,039	14,357	1,960	(128)	26,228
Result					
Segment EBIT	142	759	(33)	-	868
Unallocated/corporate result					(88)
EBIT					780
Net interest and finance costs					(369)
Profit before income tax					411
Income tax expense					50
Profit for the half-year					461

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 2016

NOTE 5: SEGMENT REPORTING (continued)

	Professional 31-Dec-15 \$'000	Lifestyle Entertainment 31-Dec-15 \$'000	New Zealand 31-Dec-15 \$'000	Eliminations 31-Dec-15 \$'000	Total 31-Dec-15 \$'000
Total segment revenue	9,749	17,229	1,845	-	28,823
Inter-segment revenue	9	55	3	(67)	-
Revenue from external customers	9,758	17,284	1,848	(67)	28,823
Result					
Segment EBIT	(81)	1,245	(94)	-	1,070
Unallocated/corporate result					(211)
EBIT					859
Net interest and finance costs					(460)
Profit before income tax					399
Income tax expense					92
Profit for the half-year					491

	Professional \$'000	Lifestyle Entertainment \$'000	New Zealand \$'000	Unallocated/ Corporate \$'000	Total \$'000
Total Segment Assets					
31 December 2016	6,921	15,781	2,106	2,198	27,006
30 June 2016	7,609	13,435	1,842	1,422	24,308
Total Segment Liabilities					
31 December 2016	3,235	5,588	1,049	5,824	15,696
30 June 2016	4,975	3,383	797	4,313	13,468

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 2016 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 23rd day of February 2017

Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ambertech Limited

We have reviewed the accompanying half-year financial report of Ambertech Limited, which comprises the consolidated statement of financial position as at 31 December 2016, 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 ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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 consolidated entity's financial position as at 31 December 2016 and its 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 Ambertech Limited, 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 Ambertech Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

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 Ambertech Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO East Coast Partnership

A handwritten signature in black ink. The signature starts with 'BDO' in a stylized, cursive font, followed by a large, flowing signature that appears to be 'P. Bull'.

Paul Bull
Partner

Sydney, 23 February 2017