



**ASIAN MICRO
HOLDINGS LIMITED**

ANNUAL REPORT 2017



The Group continually explores innovative methods of introducing industrial consumers to the use of natural gas and energy saving methods.

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This annual report 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 ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this annual report including the correctness of any of the figures used, statements or opinions made.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr. Khong Choun Mun
Telephone number: +65 6381 6757



CORPORATE INFORMATION



BOARD OF DIRECTORS

Executive

Lim Kee Liew @ Victor Lim
Executive Chairman, CEO and Group Managing Director

Ng Chee Wee
Executive Director and Chief Financial Officer

Non-Executive

Chue Wai Tat
Lead Independent Director

Teo Kio Choon @ Chang Chiaw Choon
Independent Director

Cheah Wee Teong
Independent Director

Lee Teck Meng Stanley
Non-Executive and Non-Independent Director

AUDIT COMMITTEE

Chue Wai Tat
Chairman

Teo Kio Choon @ Chang Chiaw Choon
Cheah Wee Teong
Lee Teck Meng Stanley

NOMINATING COMMITTEE

Cheah Wee Teong
Chairman

Chue Wai Tat
Lee Teck Meng Stanley

REMUNERATION COMMITTEE

Cheah Wee Teong
Chairman

Chue Wai Tat
Lee Teck Meng Stanley

COMPANY SECRETARY

Toh Li Ping, Angela

REGISTERED OFFICE

63 Hillview Avenue
#08-01 Lam Soon Industrial Building
Singapore 669569
Tel: 6862 7777 / Fax: 6862 6277
Website: <http://www.asianmicro.com.sg>

BANKERS

United Overseas Bank Limited
Public Bank Berhad

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
6 Battery Road
#10-01
Singapore 049909

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower
Level 18
Singapore 048583
Partner-in-charge: Tan Po Hsiung Jonathan
(Since financial year ended 30 June 2016)



CORPORATE PROFILE



Asian Micro Holdings Limited (listed in the SGX-SESDAQ, now known as SGX-ST Catalist Board; since September 1999), is primarily engaged in the provision of Compressed Natural Gas (“CNG”) supply and related products & services.



CORPORATE PROFILE

The Group supplies CNG skids which are used for storing and transporting CNG to local industries for gas cutting, heat treatment and power generation. It can also be used for powering of natural gas engines and off-the-road vehicles. The Group continually explores innovative methods of introducing industrial consumers to the use of natural gas and energy saving methods. Our customers are from the oil and gas, marine and offshore, aviation, shipyard and manufacturing industries.

The Group's secondary core business includes providing clean room grade plastic packaging bags and materials for packaging cleaned finished products in the hard disk drive and semiconductor industries.

The Group has diversified its existing core business to include the investment in, trading of, and development of residential, commercial, retail and industrial properties within Singapore and overseas as and when the opportunities arise.





CHAIRMAN'S MESSAGE

“

On behalf of the Board of Directors, I am presenting the Annual Report and the Audited Financial Statements of Asian Micro Holdings Limited and its subsidiaries for the financial year ended 30 June 2017 (“FY 2017”).

”



OVERVIEW

The Group faced a challenging business environment in FY 2017 with weak global economic condition as well as volatile currency movements.

During the year, the Company disposed its Compressed Natural Gas (“CNG”) business in Thailand, which allowed the Company to re-strategise its financial and capital resources. The CNG business had been facing challenging market conditions such as declining demand for CNG vehicles, rising operational costs and uncertainty of political situation in Thailand and would have required capital injection for growth and development.





Following the disposal, the Group's consolidated revenue from continuing operations increased slightly by \$0.02 million from \$4.13 million in FY 2016 to \$4.15 million in FY 2017 while the Group's gross profit margin decreased due to lower gross profit margin contributed from the Natural Gas business.

The Group has recorded a net profit from continuing operations attributable to shareholders after taking into consideration taxation and non-controlling interests which amounted to \$0.19 million in FY 2017 compared to the net profit from continuing operations of \$0.08 million in FY 2016.

The Group has net tangible assets of \$1.96 million as at 30 June 2017 compared to net tangible assets of \$2.06 million as at 30 June 2016.

As announced in September 2015 on the diversification of its existing core business to include the investment in, trading of, and development of residential, commercial, retail and industrial properties within Singapore and overseas, the Group has subsequently acquired two plots of land situated in Pulau Pinang, Malaysia and completed these acquisitions in July 2017.

LOOKING AHEAD

The Group's businesses are expected to remain challenging in FY 2018 mainly due to pricing pressure from customers and rising operational costs. However, the Group remains focused in enhancing its operational efficiency and monitoring its operating expenses in the face of economic uncertainties, to enhance the profitability of its existing businesses. While the market condition is expected to remain challenging in FY 2018 and likely to impact the Group's existing business performance, Management will continue to focus on restructuring and consolidating its existing businesses, without incurring major capital expenditure.

CORPORATE GOVERNANCE

The Group remains committed to maintain its regime of high standards of corporate governance. It pledges to provide timely and accurate information through announcements and investor relations activities for the benefits of all stakeholders. Please refer to the Report on Corporate Governance set out on pages 13 to 26 for detailed disclosure on the Company's corporate governance practices.

APPRECIATION

On behalf of the Board, I would like to thank all shareholders for their continued loyalty and support to the Company.

We also acknowledge the strong support of our customers, bankers and business associates of our Company in 2017 and we are looking forward to your strong support to help us to achieve a better 2018 and beyond.

Last, but not least, I would like to thank all staff and management for their dedicated service and support and we will strive to improve further.

Mr. Lim Kee Liew @ Victor Lim

Executive Chairman, CEO and

Group Managing Director

27 September 2017



BOARD OF DIRECTORS



MR. LIM KEE LIEW @ VICTOR LIM

Mr. Lim Kee Liew @ Victor Lim is the Executive Chairman, Chief Executive Officer (“CEO”) and Group Managing Director of the Company. He is the key founder of the Group and provides overall strategic direction and policy decisions of the Group. Prior to setting up the Group, Victor Lim was the Engineering Support Manager in several Hard Disk Drive companies, namely Tandon (S) Pte Ltd, Computer Memories Inc., and Micropolis Singapore Ltd from 1983 to 1989.

Victor Lim holds a Diploma in Production Engineering from Singapore Polytechnic and Master of Business Administration (MBA) from Singapore Management University (SMU). He is currently pursuing a part-time degree course of Master of Science (Real Estate) from National University of Singapore (NUS). He has obtained several patents in the field of electronic energy saving ballasts and fluorescent lamps and has more than 30 years’ experience in the electronic and hard disk drive industries and in real estate investment.

MR. NG CHEE WEE

Mr. Ng Chee Wee joined the Group in August 2010 as Group Financial Controller and was appointed as an Executive Director of the Company in May 2011 and re-designated as Chief Financial Officer (“CFO”) in February 2017. He oversees the Group’s finance, accounting, treasury, legal, tax and corporate secretarial functions.

Mr. Ng has more than 15 years’ experience in the accounting and finance fields for various industries. He holds a Diploma with Merit in Accountancy from Ngee Ann Polytechnic in Singapore and completed the Association of Chartered Certified Accountants (ACCA) course in 2000. He is currently pursuing SID-SMU Directorship Programme conducted by Singapore Management University (SMU) in partnership with SID. He is a Fellow member of the ACCA and a member of the Institute of Singapore Chartered Accountants (ISCA) and Singapore Institute of Directors (SID).



BOARD OF DIRECTORS



MR. CHUE WAI TAT

Mr. Chue Wai Tat was appointed as an Independent Director of the Company in July 2011 and subsequently appointed as the Lead Independent Director of the Company in October 2012. He is currently the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He started his career with the Inland Revenue Department (now known as Inland Revenue Authority of Singapore) for 10 years before joining the private sector. He has accumulated more than 20 years of experience, mainly in senior finance position in MNC and GLC such as Group/Regional/Controller of MNC (Universal Furniture, Seagate Technology, Asia Pacific Resources International Ltd) and VP Group Finance of Media Corporation of Singapore Pte Ltd, before retiring on 31 December 2009. Since March 2011, he has taken up retirement positions and is currently a Finance Manager with Venus Beauty Pte Ltd.

Mr. Chue holds a Bachelor of Social Science (Economics & Political Science) (Hons) from the University of Singapore and was qualified and admitted as a Fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Singapore Chartered Accountants (ISCA).



MR. TEO KIO CHOON @ CHANG CHIAW CHOON

Mr. Teo Kio Choon @ Chang Chiaw Choon has been an Independent Director of the Company since 1999 and currently is a member of the Audit Committee. He has been a partner of KC Teo Consultants, a management consultancy firm since 1992. Mr. Chang holds a Bachelor of Science (Honours) degree from the Nanyang University.



BOARD OF DIRECTORS



MR. CHEAH WEE TEONG

Mr. Cheah Wee Teong was appointed as an Independent Director of the Company in December 2015. He is currently the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. Mr. Cheah has more than 20 years of professional and commercial experience with globally recognised international public accounting and consulting firms, as well as multinational corporations based in the United States, Hong Kong and Singapore.

Mr. Cheah holds both Bachelor of Business Administration and Master of Professional Accounting degrees from the University of Texas at Austin, USA. He is a member of the American Institute of Certified Public Accountants (AICPA) and a member of Singapore Institute of Directors (SID).



MR. LEE TECK MENG STANLEY

Mr. Lee Teck Meng Stanley was appointed as a Non-Executive and Non-Independent Director of the Company in August 2016 and is a member of the Audit, Nominating and Remuneration Committees. Mr. Lee is currently a Deputy Director in the Development office of Nanyang Technological University (NTU). Prior to joining NTU, he was a Director of RHT Strategic Advisory Pte Ltd and led the firm in the areas of M&A, deal and funding advisory. He was formerly the co-founder and Executive Director for a leading air-cargo supply chain services company and a trading representative with Maybank Kim Eng Securities and possesses more than 10 years of business management experience, in the areas of finance, operations, business development and strategic planning.

He holds a 1st Class Honours degree in Business Administration from the Plymouth University, UK and is aptly certified in the areas of securities dealing and analysis, corporate finance and financial advisory. He is also a member of the Singapore Institute of Directors (SID).



KEY MANAGEMENT



MDM. LEONG LAI HENG

Mdm. Leong Lai Heng is currently an advisor of the Company and is a director of the subsidiaries of the Company. She is the spouse of Victor Lim (Executive Chairman, CEO and Group Managing Director).

MR. PHAN GUO YEE

Mr. Phan Guo Yee is the Finance Manager of the Company and is responsible for overseeing the Group's accounting, financial and taxation functions. Mr. Phan has more than 10 years of experience in auditing and accounting profession. Mr. Phan completed the Association of Chartered Certified Accountants (ACCA) course in 2009 and is a member of the ACCA and the Institute of Singapore Chartered Accountants (ISCA).

MR. KOH LYE SENG ERIC

Mr. Koh Lye Seng Eric is the Operation Director of the Company and is responsible for the operation, development and expansion of CNG-related projects. In addition, he was responsible for the operation of the clean room plastic packaging bags and materials for the hard disk drive industries. He has more than 5 years of experience in operations management. He holds a Diploma in Visual Communication from Nanyang Academy of Fine Arts.

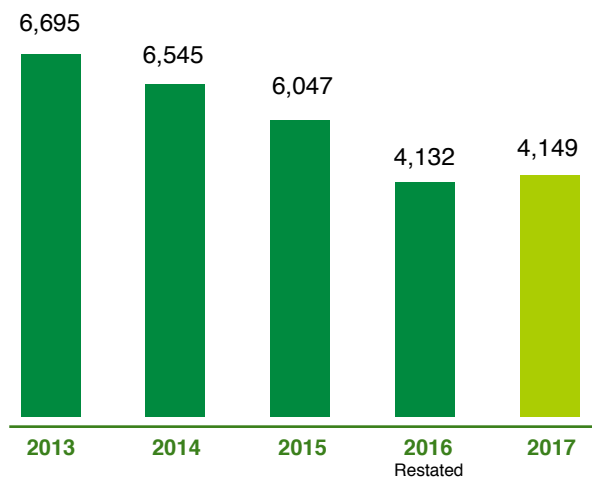


FINANCIAL HIGHLIGHTS

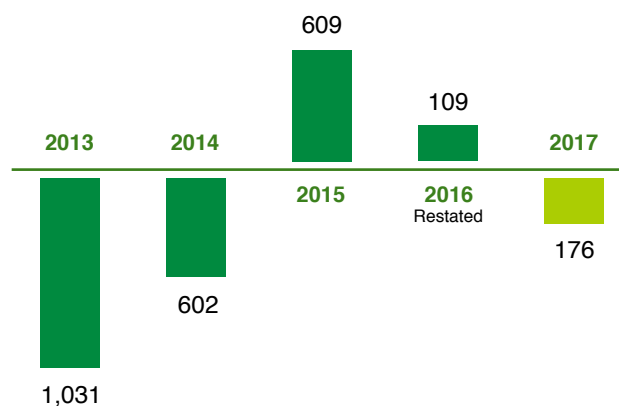
	2013	2014	2015	2016 Restated	2017
	\$'000	\$'000	\$'000	\$'000	\$'000
RESULTS OF OPERATION					
Revenue	6,695	6,545	6,047	4,132	4,149
(Loss)/Profit from continuing operations before taxation and non-controlling interests ("NCI")	(1,242)	(411)	353	83	193
Taxation	(48)	(34)	(90)	–	(2)
Net (Loss)/Profit from continuing operations after taxation but before NCI	(1,290)	(445)	263	83	191
Attributable to :					
Owners of the Company	(1,031)	(602)	609	109	(176)
Non-controlling interests	(259)	157	(346)	(26)	367
FINANCIAL POSITION					
Non-current assets	955	470	530	558	1,800
Current assets	3,180	3,970	3,388	3,092	2,208
Current liabilities	(3,814)	(2,439)	(2,065)	(1,458)	(1,965)
Net current assets/(liabilities)	(634)	1,531	1,323	1,634	243
Non-current liabilities	(552)	(88)	(174)	(127)	(81)
REPRESENTING					
Equity attributable to owners of the Company	649	2,487	2,679	3,133	1,803
Non-controlling interests	(880)	(574)	(1,001)	(1,068)	159
EPS/LPS after Taxation & NCI (\$cents)	(0.21)	(0.10)	0.10	(0.01)	(0.09)
NTA per Share (\$cents)	(0.04)	0.30	0.27	0.33	0.31



REVENUE
(\$'000)



NET PROFIT/(LOSS) FROM CONTINUING OPERATION ATTRIBUTABLE TO OWNERS OF THE COMPANY
(\$'000)

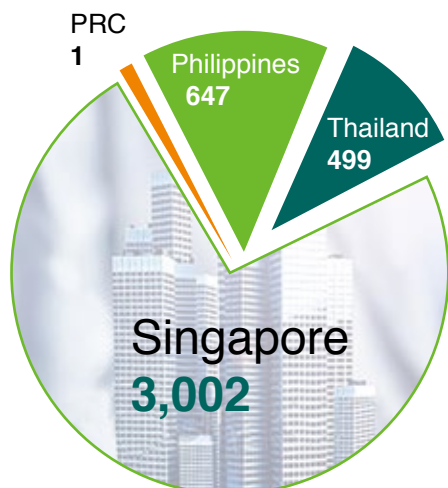


REVENUE BY REGION IN FY2017
(\$'000)

Singapore	3,002
Philippines	647
Thailand	499
PRC	1
Total	4,149

REVENUE BY BUSINESS ACTIVITIES IN FY2017
(\$'000)

Trading	1,415
NGV related	2,734
Total	4,149



A low-angle, upward-looking photograph of a forest. The image is dominated by the trunks and branches of trees, which are silhouetted against a bright, sunlit sky. Sunlight streams through the canopy, creating a warm, golden glow and lens flare effects. The overall atmosphere is one of natural beauty and growth.

**ACHIEVE
A BETTER
BEYOND**



REPORT ON CORPORATE GOVERNANCE

Asian Micro Holdings Limited (the “**Company**”) recognises the importance of corporate governance and is committed to upholding high standards of corporate governance, and putting in place effective self-regulatory corporate practices to preserve and enhance long term shareholders’ value.

This report outlines the Company’s corporate governance practices with specific reference to the revised Code of Corporate Governance 2012 (the “**Code**”).

BOARD MATTERS

Principle 1 Board’s Conduct of its Affairs

The Board meets regularly, both formally and informally, and as frequent as warranted by particular circumstances. The principal functions of the Board, apart from its statutory responsibilities are:

- (a) to approve the Group’s corporate policies, financial objectives and direction of the Group and monitoring performance of management;
- (b) to approve annual budgets, key operational issues, major funding and investment proposals;
- (c) to set overall strategies and supervision of the Group’s businesses and affairs and consider sustainability issues as part of its strategic formulation;
- (d) to set the Company’s ethical values and standards in which it conducts businesses, and ensure that these are adhered to and the obligations to shareholders and other stakeholders are understood and met;
- (e) to review the financial performance of the Group;
- (f) to approve nominations of Directors and appointment to the various Board committees and key management personnel; and
- (g) to assume responsibility for corporate governance.

It believes that when making decisions, all Directors of the Board discharge their duties and responsibilities at all times as fiduciaries and act objectively in the interests of the Company.

The Board discharges its responsibilities either directly or indirectly through the various Board committees established by the Board, namely the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”). The Board delegates the formulation of business policies and day-to-day management to the Chief Executive Officer.

The Board conducts regular scheduled meetings. During the financial year, the Board met twice. Ad-hoc meetings are convened as and when required. The attendance of Directors at meetings of the Board and Board committees, as well as the frequency of such meetings, is disclosed in this report.

The types of material transactions that require board approval are:

1. Approval of financial statements’ announcements;
2. Approval of interested parties’ transactions;
3. Convening of shareholders’ meetings;
4. Declaration of interim dividends and proposal of final dividends;
5. Approval of corporate strategy;
6. Authorisation of merger and acquisition transactions; and
7. Authorisation of major transactions.



REPORT ON CORPORATE GOVERNANCE

A formal letter of appointment is provided to all new Directors. The letter indicates the amount of time commitment required and the scope of duties. The Company welcomes the Directors to request for further explanations, briefings or informal discussions on any aspect of the Company's operations or businesses from the Management. Newly appointed Directors will receive appropriate training and orientation programmes to familiarise themselves with the operations of the Company and its major business processes.

The Management monitors changes to regulations and accounting standards closely. To keep pace with accounting, legal, industry specific knowledge and regulatory changes, where these changes have an important bearing on the Company or Directors' disclosure obligations, Directors are briefed either during Board meetings or at specially convened sessions. All existing and new Directors are also encouraged to attend relevant courses, conferences and seminars at the Company's expense.

Principle 2 Board Composition and Guidance

The current composition of the Directors in the Board is set out as follows:

Executive Directors

Mr. Lim Kee Liew @ Victor Lim (Executive Chairman, Chief Executive Officer ("CEO") and Group Managing Director)
Mr. Ng Chee Wee (Executive Director and Chief Financial Officer ("CFO"))

Independent Directors

Mr. Chue Wai Tat (Lead Independent Director)
Mr. Teo Kio Choon @ Chang Chiaw Choon
Mr. Cheah Wee Teong

Non-Executive and Non-Independent Director

Mr. Lee Teck Meng Stanley - Appointed on 24 August 2016

Key information on the Directors is set out below and on pages 6 to 8 of this Annual Report.

Presently, the Board comprises two Executive Directors and four Non-Executive Directors, three of whom are independent. Accordingly, pursuant to Guideline 2.2 of the Code, the Independent Directors made up at least half of the Board.

Mr. Teo Kio Choon @ Chang Chiaw Choon has served as an independent director for more than 9 years. The NC adopts the definition in the Code as to what constitutes an independent director and had undertaken a rigorous review of the independence of Mr. Teo, taking into account the need for progressive refreshing of the Board, to ensure that there is a strong independent element on the Board such that the Board is able to exercise objective judgement on corporate affairs independently. In addition, the NC also noted that Mr. Teo does not have any interested party transactions with the Group or relationship with its 10% shareholders that might affect his independence. In determining his independence, Mr. Teo had excused himself from making any recommendation. The Board has accepted the NC's recommendation.

The Board has observed his performance at Board meetings and other occasions and has no reasons to doubt his independence in the course of discharging his duty.

Hence, the Board is of the view that Mr. Teo Kio Choon @ Chang Chiaw Choon should still be considered independent despite having been on the Board for more than 9 years as there are no circumstances which might affect his judgment. The Board wishes to retain him for his strength of character, objectivity and wealth of extensive business experience, and his knowledge of the Group's business which would enable him to be effective independent director, notwithstanding his long tenure.

The Nominating Committee is of the view that the current Board and its committees comprises Directors who, have the appropriate mix of diversity, expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.



REPORT ON CORPORATE GOVERNANCE

The Board has reviewed its composition of Directors and is satisfied that such composition is appropriate for the nature and scope of the Group's operations, the requirements of the business and facilitates effective decision-making. The Board will constantly examine its size, with the view to determining its impact upon its effectiveness and without causing undue disruptions from changes to the composition of the Board and board committees. The Board should not be so large as to be unwieldy.

Members of the Board are constantly in touch with the Management to provide advice and guidance on strategic issues and on matters for which their expertise will be constructive to the Group. In addition, Non-Executive Directors are in frequent contact with one another outside of Board meetings and hold constant informal discussions amongst themselves.

Name of Directors	Age	Directorship		Due for re-election at next AGM
		(a) Date first appointed	(b) Date last re-elected	
Mr. Lim Kee Liew @ Victor Lim	60	(a) 18/2/1997 (b) NA		-
Mr. Ng Chee Wee	44	(a) 6/5/2011 (b) 23/10/2015		Retiring pursuant to Article 89 of the Company's Constitution
Mr. Chue Wai Tat	70	(a) 6/7/2011 (b) 23/10/2015		Retiring pursuant to Article 89 of the Company's Constitution
Mr. Teo Kio Choon @ Chang Chiaw Choon	70	(a) 20/8/1999 (b) 21/10/2016		-
Mr. Cheah Wee Teong	48	(a) 1/12/2015 (b) 21/10/2016		-
Mr. Lee Teck Meng Stanley	42	(a) 24/8/2016 (b) 21/10/2016		-

Principle 3 Chairman and Chief Executive Officer

The roles of Chairman and CEO are assumed by Mr. Lim Kee Liew @ Victor Lim.

The Chairman bears responsibility for the conduct of the Board. The responsibilities of the Chairman include:

- (a) leading the Board to ensure its effectiveness on all aspects of its role and promoting a culture of openness and debate at the Board;
- (b) setting agenda and scheduling meetings with adequate time that enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;
- (c) exercising control over quality, quantity and timeliness of the flow of information between Management and the Board;
- (d) assisting to ensure compliance with the Company's guidelines on corporate governance;
- (e) encouraging effective communication with shareholders;
- (f) facilitating the effective contribution of Non-Executive Directors; and
- (g) encouraging constructive relations within the Board and between the Board and management.

As the CEO, he is responsible for the day-to-day operations of the Group. He plays an instrumental role in charting the direction and strategic development of the Group and formulates business strategies, merger and acquisition initiatives and promoting high standards of corporate governance with Mr. Ng Chee Wee, who is an Executive Director.



REPORT ON CORPORATE GOVERNANCE

In line with the guideline of the Code, Mr. Chue Wai Tat was appointed as the Lead Independent Director of the Company on 24 October 2012. The Lead Independent Director will lead and coordinate the activities of the Independent Directors and serve as a principal liaison on Board issues between the Independent Directors and the Chairman of the Board. Led by the Lead Independent Director, the Non-Executive Directors (including Independent Directors) meet periodically without the presence of other directors. Lead Independent Director is available to shareholders who have concerns when contact through the normal channels of the Chairman and CEO, Executive Directors or Chief Financial Officer has failed to resolve or for which such contact is inappropriate.

The Board confirms that the following factors sufficiently ensure that power is not concentrated in the hands of one individual and that there is the required accountability and independent decision making by the Board is maintained:

- (a) Active participation by Non-Executive Directors (including Independent Directors) during board meetings who challenge the assumptions and proposals of the management on all relevant issues affecting the affairs and the business of the Group, review the performance of Management and monitor the reporting of performance; and
- (b) The appointment of a Lead Independent Director to address shareholder concerns which have not been resolved through the normal channels of the Chairman and CEO, Executive Directors or Chief Financial Officer for which such contact is inappropriate. The Lead Independent Director also acts as the principal liaison between the independent directors and the Chairman on sensitive issues.

Principle 4 Board Membership

The NC comprises three Directors, majority of whom, including the Chairman, are Independent Directors save for Mr. Lee Teck Meng Stanley who is a Non-Executive and Non-Independent Director. The members are:

Mr. Cheah Wee Teong ¹	–	NC Chairman
Mr. Chue Wai Tat	–	NC Member
Mr. Lee Teck Meng Stanley ²	–	NC Member

Notes:

¹ Mr. Cheah Wee Teong was appointed as a NC Chairman in place of Mr. Teo Kio Choon @ Chang Chiaw Choon who stepped down as the NC Chairman of the Company with effect from 24 August 2016.

² Mr. Lee Teck Meng Stanley was appointed as a NC member of the Company with effect from 24 August 2016.

The principal functions of the NC are:

- (a) to identify candidates, review nominations for both appointment and re-appointment/re-election of the Directors to the Board for its approval;
- (b) to review the Board structure and size including the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- (c) to review the independence of each Director annually;
- (d) to assess the effectiveness of the Board as a whole, and the contribution by each Director to the effectiveness of the Board;
- (e) to decide how the performance of the Board may be evaluated and to propose objective performance criteria;
- (f) to report to the Board its findings from time to time on matters arising and requiring the attention of the NC; and
- (g) to undertake such other reviews, projects, functions, duties and responsibilities as may be requested by the Board.

The terms of reference of the NC are in line with the guidelines of the Code.



REPORT ON CORPORATE GOVERNANCE

In the event the Board decides to appoint a new Director, the process for the selection and appointment are as follows:

- (a) the management search and nominate candidates/nominees for appointment;
- (b) the NC review management's nomination for appointment of new Director by taking into consideration of the candidates'/nominees' background, experience, other board memberships and whether he/she is independent; and
- (c) the NC makes appropriate recommendations to the Board for approval.

Although Mr. Lee Teck Meng Stanley does not have any prior experience as a director of a listed company in Singapore, he had attended the Board and Board Committees' meetings held on 23 August 2016 by invitation, prior to his appointment and had attended and participated in all Board meetings as well as other Board Committees' meeting to familiarise himself with the workings of the Board and Board Committees since his appointment. Prior to his appointment, Mr. Lee had attended SID course – Director Financial Reporting Essentials. The Company will make the necessary arrangements for any director to attend additional appropriate training courses so as to familiarise themselves with the roles and responsibilities as a director of a listed company in Singapore.

The NC has met once during the financial year. In accordance with Articles 88 and 89 of the Company's Constitution, new Directors must submit themselves for re-election at the next Annual General Meeting (“AGM”) of the Company and one-third of the Directors, other than the Managing Director, who are eligible for re-election must retire by rotation at every AGM. The Directors of the Company submit themselves for re-nomination and re-election at the regular intervals at least once every 3 years.

The NC has recommended the nomination of Mr. Chue Wai Tat and Mr. Ng Chee Wee for re-election pursuant to Article 89 of the Constitution at the forthcoming AGM. Both Mr. Chue Wai Tat and Mr. Ng Chee Wee had abstained from making recommendations on their own nominations. In recommending the re-election of incumbent Directors, the NC will take into consideration their attendance and participation at the Board and Board Committees' meetings, in particular, their contributions to the business and operations of the Company as well as Board processes.

The NC is of the view that its current size is appropriate, taking into account the nature and scope of the operations and current financial positions of the Group.

The Company has in place a system to assess the performance of the Board as a whole and its Board Committees annually. The result of the exercise is reviewed by the NC before submitting to the Board for discussing and determining areas for improvement and enhancing of the Board effectiveness.

The Board had adopted the Code's definition of an Independent Director and guidelines as to relationships in determining the independence of a Director. The NC had considered the Confirmation of Independence forms submitted by Mr. Chue Wai Tat, Mr. Teo Kio Choon @ Chang Chiaw Choon and Mr. Cheah Wee Teong and concluded that they are independent and free from any relationships outlined in the Code. Mr. Lee Teck Meng Stanley is the nephew to Mr. Lim Kee Liew @ Victor Lim (the Executive Chairman, CEO and Group Managing Director) and his spouse, Mdm. Leong Lai Heng (a Controlling Shareholder and a Director of the subsidiaries of the Company). As a strategic advisor, Mr Lee Teck Meng Stanley has not been engaged by the Company for any provision of strategic advisory services and is free from any relationship with the Company, its related corporations, its 10% shareholders and its officers that could interfere or be reasonably perceived to interfere, with his exercise of independent business judgement with a view to the best interests of the Company. For good corporate governance, the NC recommended his appointment as a Non-Executive and Non-Independent Director of the Company effective on 24 August 2016, and the NC will continue to assess his contributions, circumstances in the determination of his independence during the workings of the Board Committees and the Board. The Board concurred with the NC's views. Key information regarding the directors is set out in this Annual Report under the heading titled “Board of Directors”.

None of the directors of the Company has any other listed company board representation for financial year ended 30 June 2017. When concern arises that directors have multiple board representations and other principal commitments which may compromise the sufficiency of time and attention to be given to the affairs of the Company, the Board will deliberate and decide the maximum number of listed company board representing which any director may hold, and disclose the same in the Company's annual report.

No alternate director is appointed on the Board.



REPORT ON CORPORATE GOVERNANCE

Principle 5 Board Performance

The NC had assessed the effectiveness of the Board and Board Committees for FY2017. In evaluating the Board's and Board Committees' performance, the NC considers a comprehensive set of quantitative and qualitative performance criteria that has been approved by the Board. The performance evaluation was carried out to assess and evaluate amongst other things, the Board's composition, size and expertise, timeliness of information, accountability and processes, internal control and risk management, and standard of conduct.

Following the review, the Board is of the view that the Board and its Board Committees operate effectively.

The attendances of the Directors at meetings of the Board and Board Committees during the year are as follows:

	Board Meeting	Audit Committee	Remuneration Committee	Nominating Committee
No. of meetings held :	2	2	1	1
Name of Directors :				
Lim Kee Liew @ Victor Lim	2/2	-	-	-
Ng Chee Wee	2/2	-	-	-
Chue Wai Tat	2/2	2/2	1/1	1/1
Teo Kio Choon @ Chang Chiaw Choon	2/2	2/2	-	-
Cheah Wee Teong	2/2	2/2	1/1	1/1
Lee Teck Meng Stanley	2/2	2/2	1/1	1/1

Currently, the Board does not assess the performance of each Director and the Company does not conduct annual assessment of the individual committees. The Board is of the view that given the Board's size, cohesiveness of Board members and attendance of Directors at Board Committees' meetings, there is no value-add in having assessments of the individual Board members or at each Board Committee's level. Notwithstanding this, the Board is currently reviewing whether it is necessary to conduct separate assessments of its Board Committees and/or incorporate the assessments of its Board Committees pursuant to their own terms of reference and scope of duties into the existing Board performance evaluation.

To-date, no external facilitator has been used.

Principle 6 Access to Information

Board members are provided with adequate and timely information prior to Board meetings, and on an ongoing basis. Detailed Board Committee/Board papers are prepared for each Board Committee/Board meeting. The Board papers include sufficient information on financial, business and corporate issues from Management to enable Directors to be properly informed on issues to be considered at Board Meetings. The Board has separate and independent access to the Company's senior management and the Company Secretary to address any enquires at all times.

The Company Secretary attends Board meetings and is responsible for ensuring that Board procedures are followed. The Company Secretary ensures that the Company complies with the requirements of the Companies Act Cap. 50. Together with the management staff of the Company, the Company Secretary is responsible for compliance with all other SGX-ST rules and regulations, which are applicable to the Company.

In addition, the Board seeks independent professional advice as and when necessary in furtherance to discharge its duties and responsibilities effectively. The costs of such professional advice will be borne by the Company.

The appointment and the removal of the Company Secretary are subject to the Board's approval.



REPORT ON CORPORATE GOVERNANCE

REMUNERATION MATTERS

Principle 7 *Procedures for Developing Remuneration Policies*

Principle 8 *Level and Mix of Remuneration*

Principle 9 *Disclosure on Remuneration*

The RC comprises three Directors, majority of whom, including the Chairman, are Independent Directors save for Mr. Lee Teck Meng Stanley who is a Non-Executive and Non-Independent Director. The members are:

Mr. Cheah Wee Teong ¹	–	RC Chairman
Mr. Chue Wai Tat	–	RC Member
Mr. Lee Teck Meng Stanley ²	–	RC Member

Notes:

¹ *Mr. Cheah Wee Teong was appointed as the RC Chairman in place of Mr. Teo Kio Choon @ Chang Chiaw Choon who stepped down as the RC Chairman of the Company with effect from 24 August 2016.*

² *Mr. Lee Teck Meng Stanley was appointed as a RC member of the Company with effect from 24 August 2016.*

The RC is of the view that its current size is appropriate, taking into account the nature and scope of the operations and current financial positions of the Group.

The principal responsibilities of the RC are:

- to review and recommend to the Board an appropriate and competitive framework of remuneration for the Board and key management personnel of the Group to attract, retain and motivate employees of the required caliber to manage the Company successfully;
- to determine and recommend to the Board specific remuneration packages for each Executive Director, taking into account factors including remuneration packages of Executive Directors in comparable industries as well as the performance of the Company and that of the Executive Directors;
- to review Management's proposal of the fees for Independent Directors;
- to ensure that the remuneration policies and systems of the Group supports the Group's objectives and strategies; and
- to administer the Company's Asian Micro Employees' Share Option Scheme 2010 ("**ESOS 2010**").

The terms of reference of the RC are in line with the guidelines of the Code.

The Group has adopted such remuneration package for the Executive Directors in accordance with the service contract entered into between the respective Executive Director and the Company. The NC, together with the RC, decides on the specific remuneration package for an Executive Director upon recruitment. Thereafter, the RC reviews subsequent increments, bonuses and allowances where these payments are discretionary. No Director or member of the RC is involved in deciding his or her own remuneration.

The Executive Directors' remuneration packages are set such that they are adequately but not excessively remunerated compared to other comparable companies in the industry in view of present market conditions and which takes into account the individual's and the Company's performance. The Executive Directors and key management personnel who are not on probation and have attained the age of 21 years are eligible to participate in the Company's ESOS 2010. The remuneration packages of the Executive Directors and key management personnel are also in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility.

The Company did not appoint any remuneration consultant. If required, the RC will seek expert's advice inside and/or outside the Company on remuneration of all Directors and key management personnel.



REPORT ON CORPORATE GOVERNANCE

The RC reviews what compensation commitments the executive directors' service contracts would entail in event of early termination and aims to be fair and avoid rewarding inadequate performance. The service contract may be terminated by either the Company or Executive Directors giving to the other at least 6 months prior written notice. The RC is of view that the Directors' service contracts are not excessively long or with onerous removal clauses.

The Company does not have any contractual provision which allows the Company to reclaim incentive components of remuneration from Executive Directors and/or key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company as such provisions will stifle the Company's ability to effectively attract and retain the right individuals.

Non-Executive Directors (including Independent Directors) do not enter into any service contracts with the Company. Save for the receipt of directors' fees and participation in the Company's ESOS, Non-Executive Directors do not receive any remuneration from the Company.

Directors' fees are set in accordance with a remuneration framework comprising basic fees, attendance fees and additional fees for serving on any of the Board Committees. The RC, with the concurrence of the Board, is of the view that the current remuneration of the Non-Executive Directors (including Independent Directors) is appropriate to the level of contribution, taking into account factors such as efforts and time spent, and responsibilities of the Directors. The payments of Directors' fees are approved by the shareholders of the Company as a lump sum payment at the Annual General Meeting of the Company.

The details of the Company's ESOS 2010 are set out on pages 28 and 29 of the Annual Report.

The following table shows the breakdown of the fees and remuneration of Directors (in percentage terms) for the year ended 30 June 2017:

Remuneration band and name of directors	Fee	Salary	Other Benefits	Total
	%	%	%	%
\$250,000 to S\$500,000				
Lim Kee Liew @ Victor Lim	–	95	5	100
Below \$250,000				
Ng Chee Wee	–	96	4	100
Lin Xianglong Winchester ⁽¹⁾	–	100	–	100
Chue Wai Tat	100	–	–	100
Teo Kio Choon @ Chang Chiaw Choon	100	–	–	100
Cheah Wee Teong	100	–	–	100
Lee Teck Meng Stanley ⁽²⁾	100	–	–	100

Notes:

(1) Mr. Lin Xianglong Winchester resigned as an Executive Director of the Company with effect from 3 August 2016.

(2) Mr. Lee Teck Meng Stanley was appointed as a Non-Executive and Non-Independent Director of the Company with effect from 24 August 2016.



REPORT ON CORPORATE GOVERNANCE

The annual remuneration for the top 3 key management personnel (in percentage terms) during the year is as follows:

Key management personnel	Salary	Other Benefits	Total
	%	%	%
Below \$250,000			
Leong Lai Heng	96	4	100
Phan Guo Yee	99	1	100
Koh Lye Seng Eric	95	5	100

The Board is of the opinion that due to the confidentiality and commercial sensitivity attached to remuneration matters, in particular those of our key management personnel, given the highly competitive environment the Group operates in, only the remuneration mix of the Directors and key management personnel in applicable bands of S\$250,000 is disclosed as per the table above. The Board believes that such disclosure presentation provides sufficient overview of the remuneration of the Directors and key management personnel and that such information would be sufficient to the shareholders for their understanding of the Company's compensation policies.

Notwithstanding guidelines 9.1 and 9.3, as the Group has only 3 key management personnel, disclosure was only made in respect of the remuneration of these 3 key management personnel. The aggregate remuneration paid to these key management personnel was \$374,291 (2016: \$350,469).

Mdm. Leong Lai Heng, spouse of Mr. Lim Kee Liew @ Victor Lim, Executive Chairman, CEO and Group Managing Director is employed as director of the subsidiaries of the Group and has received remuneration at that capacity which exceeded \$200,000 but was less than \$250,000 during the financial year ended 30 June 2017.

For FY2017, there were no termination, retirement and post-employment benefits granted to Directors and the top 3 key management personnel (who are not Directors or the CEO).

ACCOUNTABILITY AND AUDIT

Principle 10 Accountability

In presenting the annual and half-yearly financial results to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. Management currently provides all members of the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a half-yearly basis and such management accounts are provided to Executive Directors on a monthly basis.

The Board would take adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under Section B of the Singapore Exchange Securities Trading Limited Listing Manual: Rules of Catalist ("**Catalist Rules**") and where appropriate and required, by establishing written policies.

In line with the requirements of the Catalist Rules, a negative assurance statement was issued by the Board to accompany its half-yearly financial results announcements, confirming to the best of its knowledge that, nothing had come to its attention which would render the Company's half-yearly results to be false or misleading in any material aspect. The Company is not required to issue negative assurance statements for its full year results announcement. The Company also submits the compliance checklist for announcement of financial statements of Catalist Companies to its Sponsor for its half-yearly and full year financial results announcements.

The Company has also procured undertakings from all Directors and Executive Officers (in the form set out at [Appendix 7H](#)) in compliance with Rule 720(1) of the Catalist Rules.



REPORT ON CORPORATE GOVERNANCE

Principle 11 Risk Management and Internal Controls

Principle 12 Audit Committee

Principle 13 Internal Audit

The Board recognises its responsibility for the Group's system of risk management and internal controls and the need to review its adequacy and integrity regularly in order to safeguard the Group's assets and therefore shareholders' investments in the Group, but recognised that no cost effective system will preclude all frauds and irregularities, as the internal control system can only mitigate but not eliminate the risks of frauds or irregularities.

The Company does not have a Risk Management Committee. However, the Management reviews the Group's business and operational activities regularly to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the Audit Committee.

The Management has put in place reasonably adequate internal control systems to provide the Board with reasonable assurance against material misstatement or loss. The Board, with the concurrence of the AC, had approved the adoption of the Policy on Risk Management and Internal Control in August 2017. In addition, the Company has a Whistle Blowing Policy for the Group which provides a channel for staff and other parties in place to report in confidence, raise concerns about fraud and other possible improprieties in matters of financial reporting or other matters. The Board has also relied to a certain extent, the review by the external auditors of the Company's internal control in relation to statutory audit. The review conducted by the external auditors is for the purpose of designing audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. The external auditors' recommendations on internal accounting control weakness, if any noted during their audit, are reported to the AC.

The Board had received assurance from the CEO and Chief Financial Officer that as at 30 June 2017:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;
- (b) to the best of their knowledge, nothing has come to their attention as Management, which would render the interim financial statements to be false or misleading in any material aspect;
- (c) they are aware of their responsibilities for establishing, maintaining and evaluating the effectiveness of the risk management and internal control systems of the Company;
- (d) they are not aware of any known significant deficiencies in the risk management and internal control systems relating to preparation and reporting of financial data, or of any fraud; and
- (e) the internal controls, including financial, operational, compliance and information technology controls, and risk management systems in place were adequate and effective.

Based on the risk management and internal controls established and maintained by the Group, work performed by the external auditors and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the system of risk management and internal controls of the Group are adequate and effective in addressing financial, operational, compliance and information technology risks for the financial year ended 30 June 2017.

The AC comprises the following members, majority of whom including the Chairman are Independent Directors save for Mr. Lee Teck Meng Stanley who is a Non-Executive and Non-Independent Director, and they are appropriately qualified to discharge their responsibilities:

Mr. Chue Wai Tat	–	AC Chairman
Mr. Teo Kio Choon @ Chang Chiaw Choon	–	AC Member
Mr. Cheah Wee Teong	–	AC Member
Mr. Lee Teck Meng Stanley ¹	–	AC Member

Note:

¹ Mr. Lee Teck Meng Stanley was appointed as the AC member of the Company with effect from 24 August 2016.



REPORT ON CORPORATE GOVERNANCE

The AC members collectively have had many years of experience in accounting, business, financial management and corporate advisory. The Board considers that the AC is appropriately qualified to discharge the responsibility of the AC. None of the members nor the AC Chairman are former partners or Directors of the Group's existing auditing firm nor does any of them has any financial interests in the auditing firm.

The Directors are satisfied that the AC will be able to discharge their duties and responsibilities.

The principal functions of the AC are:

- to recommend to the Board of Directors the External Auditors to be nominated;
- to review the scope, audit plans, results, effectiveness and independence of the External Auditors;
- to review any related significant findings and recommendations of the External Auditors, together with Management's responses thereto;
- to review the adequacy of the Group's system of risk management and internal controls, financial and management reporting systems;
- to review with Management on significant risks or exposures that exist and assesses the steps that Management has taken to minimise such risks to the Group;
- to review with Management the announcement of the interim and full-year results of the Group and its financial statements;
- to review interested party transactions as may be required by the regulatory authorities or the provisions of the Companies Act;
- to review legal and regulatory matters that may have a material impact on the financial statements and reports action and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and
- to review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The terms of reference of the AC are in line with the guidelines of the Code.

The AC has full access to and receives co-operation from the Management, and has full discretion to invite members of the Management to attend its meetings. Reasonable resources have been given to enable it to discharge its functions. Minutes of the AC meetings are circulated to the Board for its information.

The AC meets with the Group's external auditor and Management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group. In performing its functions for FY2017, the AC had:

- (i) held 2 meetings in the financial year with Management and the external auditor, and met once with the external auditor without the presence of Management;
- (ii) reviewed the audit plan and audit report for FY2017 presented by the external auditor;



REPORT ON CORPORATE GOVERNANCE

- (iii) conducted an annual review of the audit and non-audit services provided by the external auditor, Ernst & Young LLP, to satisfy itself that the nature and extent of such non-audit services will not prejudice the independence and objectivity of the external auditor. The fees incurred for FY2017 are as follows:

	2017 \$'000
Fees on audit services paid/payable to	
- Auditor of the Company	86
- Other auditors	1
Fees on non-audit services paid/payable to	
- Auditor of the Company	22
- Other auditors	-

The external auditor had also confirmed their independence in this respect;

- (iv) confirmed that the Company had complied with Rule 712 of the Catalist Rules and had recommended to the Board the re-appointment of Ernst & Young LLP as the auditor of the Company. Ernst & Young LLP is registered with the Accounting and Corporate Regulatory Authority; and
- (v) confirmed that the Company had complied with Rule 715 of the Catalist Rules in relation to the appointment of the same auditing firm, Ernst & Young LLP, to audit its Singapore-incorporated subsidiaries. The foreign-incorporated subsidiaries are audited by other appropriate audit firms.

As the present scope of the Company's activities is not substantial, the Company does not have its own internal audit department. The Company will commission an external party to conduct an independent internal audit as and when it deems fit.

The external auditor has discussed with management regularly and the management will report to the AC during the meeting for the changes to accounting standards and issues which have a direct impact on financial statements to enable the member of the AC to keep abreast of such changes issues, if any.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 Shareholder Rights

Principle 15 Communication with Shareholder

Principle 16 Conduct of Shareholder Meetings

In line with the continuous disclosure obligations of the Company and pursuant to the Listing Manual of the SGX-ST and the Companies Act, Chapter 50, shareholders shall be informed of all major developments that impact the Group, in a timely manner.

The Company does not practice selective disclosure. All material and price sensitive information as well as information on the Company's new initiatives are publicly released via SGXNET. In addition, the Company also responds to enquiries from shareholders, investors, analysts, fund managers and the press. All shareholders of the Company receive a copy of the Annual Report and Notice of AGM annually. The Notice of the AGM is also advertised in a daily newspaper and made available on the SGX-ST website. At the AGM, shareholders are given the opportunity to air their views and ask questions regarding the Company and the Group. Shareholders are also informed of the rules, including voting procedures, that govern general meetings of shareholders. The Company's Constitution allows shareholders to appoint one or two proxies to attend and vote in their stead at the AGM. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two proxies to attend, speak and vote at the general meetings, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.



REPORT ON CORPORATE GOVERNANCE

Each item of special business included in the Notice of general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at general meetings. The Chairman of the Board and the Chairman of each of the AC, NC and RC, and the external auditors are normally available at the AGM to answer questions relating to the work of these Board committees. The Company Secretary records minutes of every AGM and the minutes will be made available to the shareholders upon their request.

Although the Company does not have a dedicated investor relations team or an investor relations policy, other than communicating with Directors and Management at general meetings, shareholders or investors may contact the Company on any investor relations matters at ir@asianmicro.com.sg.

The Company currently does not have a formal dividend policy. The Board considers factors such as the Group's earnings, financial position, operations results, capital requirements, cash flows, development plans, and other factors before determining any dividend to be declared. No dividend was declared for the financial year ended 30 June 2017 as the Company does not have retained earnings and the Group is conserving cash for its business operations and future developments.

Pursuant to the Catalist Rules, the Company will be putting all resolutions to vote by poll at its general meetings. An announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be released via the SGXNET after the meeting. The Company currently employs paper polling as electronic polling is not practical and cost-effective.

DEALINGS IN SECURITIES

The Company has a clear policy on the trading of its shares by directors, executives and employees within the Group. The Company has adopted its own internal Code of Best Practices on Securities Transactions ("**Securities Transactions Code**"). The Securities Transactions Code provides guidance to the directors and executives of the Group with regard to dealing in the Company's shares. It emphasises that the law on insider trading is applicable at all times, notwithstanding the window periods for dealing in the shares. The Securities Transactions Code also enables the Company to monitor such share transactions by requiring employees to report to the Company whenever they deal in the Company's shares.

The Group issues circulars to its directors, executives and employees informing them that they must not trade in the listed securities of the Company one month before the announcement of the Group's half-yearly and full year results and ending on the date of the announcement of such results. They are also encouraged not to deal in the Company's securities on short-term considerations.

The directors are required to notify the Company of any dealings in the Company's securities (during the open window period) within 2 business days of the transactions.

The Board is satisfied with the Group's commitment in compliance with the Code, and on the adequacy of internal controls within the Group. The Group has complied with its Best Practices on Securities Transactions.

MATERIAL CONTRACTS

Save for the service contracts between the Executive Directors and the Company, and the interested person transactions described below, there are no other material contracts of the Company or its subsidiaries involving the interest of the Chief Executive Officer or any director or Controlling Shareholders which are either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the Audit Committee and that such transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.



REPORT ON CORPORATE GOVERNANCE

During the financial year, the Company has entered into the following interested person transaction, as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
ACI Technology (S) Pte Ltd	63	-
Ultraline Holdings (Thailand) Co., Ltd	33	-

NON-SPONSOR FEES

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The Continuing Sponsor of the Company is RHT Capital Pte. Ltd.

In compliance with Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid by the Company to the sponsor for the financial year ended 30 June 2017.



DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Asian Micro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2017.

Opinion of the directors

In the opinion of the directors,

- (i) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and the financial performance of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as,
 - (a) The Group and the Company will be able to generate adequate cash flows from operations; and
 - (b) Two of the Company's existing major shareholders (one of whom is also a director of the Company) have agreed to provide continuing financial support to the Group and the Company to enable the Group and the Company to meet their obligations as and when the need arises.

Directors

The directors of the Company in office at the date of this statement are:

Lim Kee Liew @ Victor Lim
 Ng Chee Wee
 Chue Wai Tat
 Teo Kio Choon @ Chang Chiaw Choon
 Cheah Wee Teong
 Lee Teck Meng Stanley (appointed on 24 August 2016)

Arrangements to enable directors to acquire shares and debentures

Except for the Asian Micro Holdings Limited Employees' Share Option Plan as described below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

	Direct interest			Deemed interest		
	At 1 July 2016	At 30 June 2017	At 21 July 2017	At 1 July 2016	At 30 June 2017	At 21 July 2017
The Company						
Asian Micro Holdings Limited (Ordinary shares)						
Lim Kee Liew @ Victor Lim	147,824,769	148,224,769	148,224,769	155,729,855	155,729,855	155,729,855
Ng Chee Wee	8,027,586	8,027,586	8,277,586	-	-	-
Teo Kio Choon @ Chang Chiaw Choon	3,500,000	3,500,000	3,500,000	-	-	-
Lee Teck Meng Stanley ⁽¹⁾	-	-	-	300,000	300,000	300,000

⁽¹⁾ Appointed as director of the Company on 24 August 2016.



DIRECTORS' STATEMENT

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Lim Kee Liew @ Victor Lim is deemed to have an interest in shares of the subsidiaries of the Company.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company or of related corporations either at the beginning of the financial year, end of the financial year or 21 July 2017.

Share options

Asian Micro Employees' Share Option Scheme 2010

- Asian Micro Employees' Share Option Scheme 2010 (the "ESOS 2010") was approved by the shareholders at an extraordinary general meeting held on 28 October 2010.
- The remuneration committee administered the ESOS 2010 during the financial year.
- During the financial year, no share options were granted under the ESOS 2010.
- Details of the outstanding balance of the options to subscribe for ordinary shares of the Company pursuant to the ESOS 2010 as at 30 June 2017 are as follows:

Grant date	Expiry date	Exercise price (\$)	Number of options
July 2012	July 2022	0.022	<u>2,000,000</u>

- Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the ESOS 2010 are as follows:

Name of directors	Options granted during the financial year	Aggregate options granted since commencement of ESOS 2010	Aggregate options cancelled since commencement of ESOS 2010	Aggregate options exercised since commencement of ESOS 2010	Aggregate options outstanding as at end of financial year
Lim Kee Liew @ Victor Lim	-	2,000,000	-	2,000,000	-
Ng Chee Wee	-	4,000,000	-	4,000,000	-
Teo Kio Choon @ Chang Chiaw Choon	-	4,500,000	-	4,500,000	-
Chue Wai Tat	-	2,000,000	-	2,000,000	-
Name of Associates of Controlling Shareholders					
Leong Lai Heng	-	2,000,000	-	2,000,000	-
Lin Xianglong Winchester ⁽¹⁾	-	2,000,000	-	2,000,000	-

⁽¹⁾ Resigned as director of the Company on 3 August 2016.



DIRECTORS' STATEMENT

6. None of the other directors and employees of the Group who participated in the Plan has received 5% or more of the total number of options available under the Plan as at 30 June 2017.

Except for the above, no options have been granted to other directors, controlling shareholders of the Company or their associates under ESOS 2010.

The options do not entitle the holder to participate, by virtue of the options, in any share issue of any other corporation.

Audit committee

The members of the Audit Committee (the “AC”) at the date of this report are as follow:

Mr. Chue Wai Tat (Chairman, Lead Independent Director)
Mr. Teo Kio Choon @ Chang Chiaw Choon (Independent Director)
Mr. Cheah Wee Teong (Independent Director)
Mr. Lee Teck Meng Stanley (Non-Executive and Non-Independent Director)

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50. Among other functions, it performed the following:

- reviewed the audit plans of the external auditors and any recommendation on internal accounting controls arising from the statutory audit;
- reviewed the half-year and annual financial statements and the auditor’s report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- reviewed the nature and extent of non-audit services provided by the external auditors;
- recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor and reviewed the scope and results of the audit; and
- reviewed the interested party transactions as defined in Chapter 9 of the SGX-ST Catalist Listing Manual.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

The AC has recommended to the Board the nomination of Ernst and Young LLP for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting of the Company.



DIRECTORS' STATEMENT

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of directors,

Lim Kee Liew @ Victor Lim
Director

Ng Chee Wee
Director

Singapore
27 September 2017



INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2017

Independent Auditor's Report to the Members of Asian Micro Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Micro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2017, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Allowance for doubtful debts

As at 30 June 2017, the Group's gross trade receivable balances were significant as they represent 29% of the total current assets in the consolidated balance sheet and the total trade receivables and related allowance for doubtful debts amounted to \$630,777 and \$7,470 respectively. As the assessment of recoverability of trade receivables requires significant management judgement in assessing the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments, we determined that this is a key audit matter.

In responding to this area of focus, our audit procedures include, amongst others, the following:

- (i) Obtaining an understanding of the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.



INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2017

- (ii) Requesting trade receivable confirmations on a sample basis and evidence of receipts from the customers subsequent to the year end.
- (iii) Evaluating management's assumptions and estimates used to determine the allowance for doubtful debts through the following:
 - Reviewing customers' aging report to identify collection risks, assessing certain overdue trade receivables, and where applicable, reviewing their payment history and correspondences between the Group and the customers on expected settlement dates; and
 - Discussing with management on the collectability of trade receivables and adequacy of allowance for doubtful debts, and inquired management if there are any known disputed receivables.
- (iv) Assessing the adequacy of the Group's disclosures on the trade receivables and the related risks such as credit risk and liquidity risk in Notes 7 and 27 to the consolidated financial statements.

Allowance for inventory obsolescence

As at 30 June 2017, the carrying amount of the Group's gross inventories and allowance for inventory obsolescence amounted to \$68,975 and \$37,036 respectively. Management exercises significant judgement and estimates in assessing the adequacy of the allowance for inventory obsolescence as a result of potential reduction in end user demand. Such judgement involves the consideration of factors such as expected future sales and demand of the inventory, probability of the inventory becoming obsolete, aging profile of the inventory and related historical sales experience. Possible changes in these estimates could result in revisions to the allowance for inventory obsolescence. As such, we determined that this is a key audit matter.

In responding to this area of focus, our audit procedures include, amongst others, the following:

- (i) Observing the stock count on 30 June 2017 to ascertain the physical existence for a sample of inventories and observed whether damaged or obsolete inventories are identified and written off appropriately;
- (ii) Assessing the consistency and reasonableness of management's basis for allowance for inventory obsolescence with respect to aged or slow moving inventories;
- (iii) Reviewing inventory aging report and assessed the adequacy of the Group's allowance for inventory obsolescence in accordance with management's basis for allowance for inventory obsolescence in (ii);
- (iv) Assessing the adequacy of disclosures related to inventories in Notes 2.14 and 6 to the consolidated financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2017

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2017

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Po Hsiang Jonathan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
27 September 2017



BALANCE SHEETS

As at 30 June 2017

	Note	Group		Company	
		2017 \$	2016 \$	2017 \$	2016 \$
Non-current assets					
Plant and equipment	3	199,973	398,869	120,321	253,974
Investments in subsidiaries	4	–	–	30,939	–
Other investments	5	–	–	–	–
Other receivables	7	1,600,312	158,983	–	–
Current assets					
Inventories	6	31,939	108,528	–	–
Trade and other receivables	7	659,088	834,115	5,961	10,080
Prepayments		18,686	24,557	12,865	11,548
Due from subsidiaries (non-trade), net	8	–	–	711,546	–
Other current assets	3	9,852	19,478	–	–
Fixed deposits	9	201,206	923,368	–	100,100
Cash and bank balances	9	1,287,640	1,181,535	380,767	209,659
		2,208,411	3,091,581	1,111,139	331,387
Total assets		4,008,696	3,649,433	1,262,399	585,361
Current liabilities					
Trade and other payables	10	726,788	806,436	9,562	57,520
Accrued expenses	11	318,423	361,223	144,027	79,682
Due to subsidiaries (non-trade), net	8	–	–	–	675,469
Due to related parties (non-trade), net	8	5,638	192,951	2,902	2,902
Loan from director	8	833,765	–	–	–
Obligations under finance leases	12	41,024	55,074	41,024	39,287
Income tax payable		39,804	41,887	–	–
		1,965,442	1,457,571	197,515	854,860
Net current assets/(liabilities)		242,969	1,634,010	913,624	(523,473)



BALANCE SHEETS

As at 30 June 2017

	Note	Group		Company	
		2017 \$	2016 \$	2017 \$	2016 \$
Non-current liabilities					
Obligations under finance leases	12	79,950	126,610	79,950	120,975
Deferred tax liabilities	21	585	585	585	585
		80,535	127,195	80,535	121,560
Total liabilities		2,045,977	1,584,766	278,050	976,420
Net assets/(liabilities)		1,962,719	2,064,667	984,349	(391,059)
Equity attributable to owners of the Company					
Share capital	13	42,862,115	42,862,115	42,862,115	42,862,115
Share option reserve	14	40,051	40,051	40,051	40,051
Foreign currency translation reserve	14	(57,409)	733,367	–	–
Other reserve	14	96,189	96,189	96,189	96,189
Accumulated losses		(41,137,724)	(40,598,746)	(42,014,006)	(43,389,414)
		1,803,222	3,132,976	984,349	(391,059)
Non-controlling interests		159,497	(1,068,309)	–	–
Total equity/(deficit)		1,962,719	2,064,667	984,349	(391,059)
Total equity and liabilities		4,008,696	3,649,433	1,262,399	585,361

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Note	2017 \$	2016 \$ (Restated)
Revenue			
15	4,148,650	4,132,159	
Cost of sales		(2,785,519)	(2,381,309)
Gross profit		<u>1,363,131</u>	<u>1,750,850</u>
Other items of income			
Financial income	16	17,029	6,503
Other income	17	621,534	532,337
Other items of expense			
Administrative expenses		(1,736,598)	(1,731,403)
Distribution and selling expenses		(33,726)	(42,361)
Financial expenses	16	(9,473)	(11,660)
Other expenses	18	<u>(28,517)</u>	<u>(421,238)</u>
Profit before tax from continuing operations	19	193,380	83,028
Income tax expense	21	<u>(2,312)</u>	<u>-</u>
Net profit for the year from continuing operations		<u>191,068</u>	<u>83,028</u>
Discontinued operation			
Loss from discontinued operation, net of tax	22	<u>(241,451)</u>	<u>(296,959)</u>
Loss for the year		<u>(50,383)</u>	<u>(213,931)</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(784,191)	599,883
Foreign currency reserve realised on disposal of subsidiary	4c	<u>(124,895)</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>(909,086)</u>	<u>599,883</u>
Total comprehensive income for the year		<u>(959,469)</u>	<u>385,952</u>
Net (loss)/profit for the year attributable to:			
Owners of the Company			
(Loss)/profit from continuing operations		(175,647)	108,727
Loss from discontinued operation		(363,331)	(145,510)
Loss for the year attributable to owners of the Company		<u>(538,978)</u>	<u>(36,783)</u>
Non-controlling interests			
Profit/(loss) from continuing operations		366,715	(25,699)
Profit/(loss) from discontinued operation		121,880	(151,449)
Profit/(loss) for the year attributable to non-controlling interests		<u>488,595</u>	<u>(177,148)</u>
Total comprehensive income attributable to:			
Owners of the Company		(1,329,754)	453,508
Non-controlling interests		<u>370,285</u>	<u>(67,556)</u>
		<u>(959,469)</u>	<u>385,952</u>
(Loss)/profit per share from continuing operations attributable to owners of the Company (cents per share)			
Basic and diluted	23	(0.03)	0.02
Loss per share from discontinued operation attributable to owners of the Company (cents per share)			
Basic and diluted	23	(0.06)	(0.03)
Loss per share attributable to owners of the Company (cents per share)			
Basic and diluted	23	(0.09)	(0.01)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2017

2017 Group	Attributable to owners of the Company							
	Total equity \$	Equity attributable to owners of the Company \$	Share capital (Note 13) \$	Accumulated losses \$	Other reserves (Note 14) \$	Foreign currency translation reserve (Note 14) \$	Share option reserve (Note 14) \$	Non- controlling interests \$
Opening balance at 1 July 2016	2,064,667	3,132,976	42,862,115	(40,598,746)	96,189	733,367	40,051	(1,068,309)
Net (loss)/profit for the year	(50,383)	(538,978)	-	(538,978)	-	-	-	488,595
<u>Other comprehensive income for the year, net of tax</u>								
Foreign currency translation differences for foreign operations	(784,191)	(665,881)	-	-	-	(665,881)	-	(118,310)
Foreign currency reserve realised on disposal of subsidiary	(124,895)	(124,895)	-	-	-	(124,895)	-	-
Other comprehensive income for the year	(909,086)	(790,776)	-	-	-	(790,776)	-	(118,310)
Total comprehensive income for the year	(959,469)	(1,329,754)	-	(538,978)	-	(790,776)	-	370,285
<u>Changes in ownership interests in subsidiaries</u>								
Capital contribution from non-controlling interest	32,201	-	-	-	-	-	-	32,201
Disposal of subsidiary	889,446	-	-	-	-	-	-	889,446
Strike off of subsidiary	(64,126)	-	-	-	-	-	-	(64,126)
Total contribution by and distributions to owners	857,521	-	-	-	-	-	-	857,521
Closing balance at 30 June 2017	1,962,719	1,803,222	42,862,115	(41,137,724)	96,189	(57,409)	40,051	159,497



STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2017

2016 Group	Attributable to owners of the Company							
	Total equity \$	Equity attributable to owners of the Company \$	Share capital (Note 13) \$	Accumulated losses \$	Other reserves (Note 14) \$	Foreign currency translation reserve (Note 14) \$	Share option reserve (Note 14) \$	Non- controlling interests \$
Opening balance at 1 July 2015	1,678,715	2,679,468	42,862,115	(40,561,963)	96,189	243,076	40,051	(1,000,753)
Net loss for the year	(213,931)	(36,783)	-	(36,783)	-	-	-	(177,148)
<u>Other comprehensive income for the year, net of tax</u>								
Foreign currency translation differences for foreign operations	599,883	490,291	-	-	-	490,291	-	109,592
Total comprehensive income for the year	385,952	453,508	-	(36,783)	-	490,291	-	(67,556)
Closing balance at 30 June 2016	2,064,667	3,132,976	42,862,115	(40,598,746)	96,189	733,367	40,051	(1,068,309)



STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2017

Company	Total equity/ (deficit) \$	Share capital (Note 13) \$	Accumulated losses \$	Other reserves (Note 14) \$	Share option reserve (Note 14) \$
Balance as at 1 July 2016	(391,059)	42,862,115	(43,389,414)	96,189	40,051
Net profit for the year, representing total comprehensive income for the year	1,375,408	–	1,375,408	–	–
Balance as at 30 June 2017	984,349	42,862,115	(42,014,006)	96,189	40,051
Balance as at 1 July 2015	(1,073,243)	42,862,115	(44,071,598)	96,189	40,051
Net profit for the year, representing total comprehensive income for the year	682,184	–	682,184	–	–
Balance as at 30 June 2016	(391,059)	42,862,115	(43,389,414)	96,189	40,051

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flow from operating activities			
Profit before tax from continuing operations		193,380	83,028
Loss before tax from discontinued operation		(241,451)	(296,959)
Adjustments:			
Allowance for doubtful debts (non-trade)	18	–	2,128
Allowance for doubtful debts (trade)		–	10,255
Allowance for inventories obsolescence	6	24,432	81,110
Depreciation of plant and equipment		183,820	192,919
Gain on disposal of plant and equipment		–	(23,503)
Interest expense		7,134	9,911
Interest income		(17,029)	(7,209)
Loss on disposal of subsidiary	4	480,432	–
Plant and equipment written off		3,804	951
Gain on striking off of subsidiary	17	(64,126)	–
Write-back of payables that have expired	17	(115,235)	(117,202)
Write-back of allowance for doubtful debts (trade)		–	(15,982)
Write-back of allowance for inventories obsolescence	6	(7,582)	(325,765)
Reversal of provision for compensation	17	–	(187,859)
Unrealised exchange (gain)/loss		(772,735)	579,795
Operating cash flows before changes in working capital		(325,156)	(14,382)
(Increase)/decrease in inventories		(17,658)	610,273
(Increase)/decrease in trade and other receivables		(4,598)	16,094
Decrease in prepayments		6,683	8,662
Decrease in amount due to related parties		(34,794)	(4,363)
Increase/(decrease) in trade and other payables		417,243	(256,394)
Cash generated from operations		41,720	359,890
Interest paid		(7,134)	(9,911)
Interest income received		17,029	7,209
Income taxes paid		(4,394)	(4,984)
Net cash generated from operating activities		47,221	352,204
Cash flow from investing activities			
Deposit for purchase of land	7	(1,567,603)	–
Loan to non-controlling interest		(32,201)	–
Net cash inflow from disposal of subsidiary	4	130,442	–
Proceeds from disposal of plant and equipment		–	23,503
Purchase of plant and equipment	3	(1,512)	(54,079)
Net cash used in investing activities		(1,470,874)	(30,576)



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flow from financing activities			
Capital contribution from non-controlling interests		32,201	–
Loan from director		833,765	–
Repayment of finance leases obligations		(53,140)	(55,690)
Pledged fixed deposits (placement)/withdrawn	9	(251)	22,329
		<hr/>	<hr/>
Net cash from/(used in) financing activities		812,575	(33,361)
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(611,078)	288,267
Effect of exchange rate changes in cash and cash equivalents		(5,230)	13,513
Cash and cash equivalents at beginning of year		1,903,948	1,602,168
		<hr/>	<hr/>
Cash and cash equivalents at end of year	9	1,287,640	1,903,948
		<hr/> <hr/>	<hr/> <hr/>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

1. Corporate information

Asian Micro Holdings Limited is a limited liability company incorporated in Singapore and is listed on the Stock Exchange of Singapore Catalist Sponsor-Supervised regime ("Catalist").

The registered office and principal place of business of Asian Micro Holdings Limited is located at 63 Hillview Avenue, #08-01, Lam Soon Industrial Building, Singapore 669569.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are those of transportation service of CNG refilling gas, trading in natural gas vehicle ("NGV") supplies, tray washing and recycling services and trading clean room supplies. Details of these subsidiaries are disclosed in Note 4 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Singapore Dollars (SGD or \$).

The Group incurred a net loss of \$50,383 (2016: net loss of \$213,931) for the current financial year. Notwithstanding this, the directors are of the view that it is appropriate to prepare the Group's and the Company's financial statements on a going concern basis due to the following:

- (i) The Group and the Company will be able to generate adequate cash flows from operations; and
- (ii) Two of the Company's existing major shareholders (one of whom is also a director of the Company) have agreed to provide continuing financial support to the Group and the Company to enable the Group and the Company to meet their obligations as and when the need arises.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 July 2016. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 7 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
Amendments to FRS 110 & FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

Except for FRS 115, FRS 109 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115, FRS 109 and FRS 116 are described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for revenue arising from contracts with customer. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede current revenue recognition requirements including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate and the Accompanying Note on Application of INT FRS 115 in Singapore*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transaction Involving Advertising Services*. FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Group plans to adopt the standard when it becomes effective in 2018 using the full retrospective approach. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

Impairment

FRS 109 requires the Group to record expected credit losses on all of its debt securities and loans and receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group expects a significant impact on its equity due to unsecured nature of its loans and receivables, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019. The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

New financial reporting framework effective from 31 December 2018

From the financial year ending 31 December 2018 onwards, Singapore-incorporated companies listed on the Singapore Exchange (SGX), which include the Group are required to apply a new financial reporting framework (SG-IFRS) identical to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

The Group is currently assessing the potential impact of adopting these new standards and interpretations and the new financial reporting framework on the financial statements of the Group and the Company.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.4 Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Key sources of estimation uncertainty

(i) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. The Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables at the balance sheet date are disclosed in Note 7 to the financial statements.

(ii) Inventory obsolescence

The Group reviews periodically and at the end of the reporting period for any decline in net realisable value of inventories below cost. An allowance is recorded against the inventory balance for such shortfall. These reviews require the Group to consider the future saleability of the inventory.

In determining the amount of allowance, the Group considers factors including the ageing analysis by ageing profile of the inventory and related historical sales experiences. Such an evaluation process requires judgment and affects the carrying amount of inventory at the end of the financial year. Possible changes in these estimates could result in revisions to the stated carrying value of the inventory. The carrying amount of inventory at the end of the reporting year is disclosed in Note 6.

2.5 Basis of consolidation

(a) Basis of consolidation

Basis of consolidation from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.5 Basis of consolidation (cont'd)

(a) Basis of consolidation (cont'd)

Basis of consolidation from 1 January 2010 (cont'd)

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the owners of the Company.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.5 *Basis of consolidation (cont'd)*

(b) **Business combinations (cont'd)**

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.6 *Transactions with non-controlling interests*

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) **Transactions and balances**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) **Consolidated financial statements**

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.8 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Years</u>
Furniture and fittings	5 - 10
Air conditioners	3 - 10
Machinery, equipment and motor vehicles	3 - 10
Office equipment and computers	1 - 10
Renovations and electrical installations	3 - 10

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the profit or loss in the year the asset is de-recognised.

2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 *Financial instruments*

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

(i) ***Loans and receivables***

Non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired and through the amortisation process.

(ii) ***Available-for-sale financial assets***

Available-for-sale financial assets include equity investments. Equity instruments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.11 *Financial instruments (cont'd)*

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.12 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.12 *Impairment of financial assets (cont'd)*

Financial assets carried at amortised cost (cont'd)

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank, demand deposits and fixed deposits that are short-term, highly liquid and readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Finished goods – costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connections with the borrowing of funds.

2.17 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee share option plans

Employees and directors of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share option.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.18 Leases

(a) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.19(f).

2.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Tray washing and recycling services

Revenue on tray washing and recycling services is recognised when the work is completed and the recycled items are delivered to the customer.

(c) Compressed natural gas supply products and services

Revenue on compressed natural gas supply products is recognised upon the completion of installation and commissioning of the equipment, and the transfer of title and risk of the compressed natural gas to the customer, usually on delivery. Revenue on services is recognised when services are rendered.

(d) Interest income

Interest income is recognised using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.19 Revenue recognition (cont'd)

(e) Management fees

Management fees are recognised when services are rendered.

(f) Rental income

Rental income is accounted for on a straight-line basis over the lease term.

2.20 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (cont'd)

2.20 Taxes (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.21 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective managers responsible for the performance of the respective segments under their charge. The respective managers report directly to the Executive Directors of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.22 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

3. Plant and equipment

Group	Furniture and fittings \$	Air conditioners \$	Machinery, equipment and motor vehicles \$	Office equipment and computers \$	Renovations and electrical installations \$	Total \$
Cost						
At 1 July 2015	65,995	4,425	1,183,438	140,782	107,623	1,502,263
Additions	-	-	49,284	4,795	-	54,079
Disposals	-	-	(31,307)	-	-	(31,307)
Write-off	-	-	-	(2,204)	-	(2,204)
Translation difference	(871)	(62)	(7,284)	(3,280)	(4,060)	(15,557)
At 30 June 2016 and 1 July 2016	65,124	4,363	1,194,131	140,093	103,563	1,507,274
Additions	-	-	-	1,512	-	1,512
Disposal of subsidiary	-	-	(250,213)	(55,063)	(72,830)	(378,106)
Write-off	(23,038)	(1,641)	(30,118)	(45,424)	(35,476)	(135,697)
Translation difference	951	68	10,010	4,146	5,423	20,598
At 30 June 2017	43,037	2,790	923,810	45,264	680	1,015,581



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

3. Plant and equipment (cont'd)

Group	Furniture and fittings \$	Air conditioners \$	Machinery, equipment and motor vehicles \$	Office equipment and computers \$	Renovations and electrical installations \$	Total \$
Accumulated depreciation						
At 1 July 2015	56,370	2,797	654,451	128,706	98,649	940,973
Charge for the year	5,500	930	178,246	6,086	2,157	192,919
Disposals	-	-	(31,307)	-	-	(31,307)
Write-off	-	-	-	(1,253)	-	(1,253)
Translation difference	(872)	(62)	(3,086)	(4,625)	(3,760)	(12,405)
At 30 June 2016 and 1 July 2016	60,998	3,665	798,304	128,914	97,046	1,088,927
Charge for the year	4,125	698	175,064	2,281	1,652	183,820
Disposal of subsidiary	-	-	(245,592)	(36,518)	(67,611)	(349,721)
Write-off	(23,355)	(1,663)	(12,278)	(58,629)	(35,968)	(131,893)
Translation difference	1,269	90	3,196	4,507	5,561	14,623
At 30 June 2017	43,037	2,790	718,694	40,555	680	805,756
Net book value						
At 30 June 2016	-	-	19,478	-	-	19,478
- Current*	-	-	-	-	-	-
- Non-Current	4,126	698	376,349	11,179	6,517	398,869
At 30 June 2017	-	-	9,852	-	-	9,852
- Current*	-	-	195,264	4,709	-	199,973
- Non-Current	-	-	-	-	-	-

* AMT is currently under voluntary liquidation. The Group has therefore reclassified the motor vehicle from non-current to current assets (included in other current assets).



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

3. Plant and equipment (cont'd)

Company	Motor vehicles \$	Furniture and fittings \$	Total \$
Cost			
At 1 July 2015	397,835	43,036	440,871
Additions	23,992	–	23,992
At 30 June 2016 and 1 July 2016	421,827	43,036	464,863
At 30 June 2017	421,827	43,036	464,863
Accumulated depreciation			
At 1 July 2015	43,650	33,411	77,061
Depreciation charge for the year	128,328	5,500	133,828
At 30 June 2016 and 1 July 2016	171,978	38,911	210,889
Depreciation charge for the year	129,528	4,125	133,653
At 30 June 2017	301,506	43,036	344,542
Net book value			
At 30 June 2016	249,849	4,125	253,974
At 30 June 2017	120,321	–	120,321

During the financial year, the Group acquired plant and equipment with an aggregate cost of approximately \$1,512 (2016: \$54,079) by cash payment.

Assets held under finance lease

The Group's and the Company's carrying amount of machinery, equipment and motor vehicles held under finance leases as at 30 June 2017 was approximately \$100,000 and \$100,000 respectively (2016: \$254,500 and \$220,000 respectively).

Leased assets are pledged as security for the related finance lease liabilities.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

4. Investments in subsidiaries

	Company	
	2017	2016
	\$	\$
Unquoted equity investments, at cost	9,189,803	9,304,897
Less: Impairment loss	(9,158,864)	(9,304,897)
Carrying amount of investments	30,939	–

Movement in allowance for impairment of Investment in subsidiaries

	Company	
	2017	2016
	\$	\$
At 1 July	9,304,897	9,304,897
Strike off	(40,770)	–
Disposal	(105,263)	–
As at 30 June	9,158,864	9,304,897

a. Composition of the Group

Details of the subsidiaries held by the Company at the end of the financial year are as follows:

Name of company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest		Cost of investment by the Company	
			2017	2016	2017	2016
			%	%	\$	\$
<u>Held by the Company</u>						
Asian Micro (S) Pte Ltd (“AMS”) ⁽⁴⁾	Singapore	Currently under creditors’ liquidation	Note (a)	Note (a)	3,865,290	3,865,290
Asian Micro (Thailand) Co., Ltd. (“AMT”) ⁽²⁾	Thailand	Currently under voluntary liquidation	100	100	1,510,100	1,510,100
AM NGV (S) Pte Ltd (“AM NGV (S)”) ⁽¹⁾	Singapore	Trading in natural gas vehicle (“NGV”) and compressed natural gas (“CNG”) supplies	100	100	600,000	600,000
ACI Industries Pte Ltd (“ACI”) ⁽¹⁾	Singapore	Trading in clean room supplies	100	100	168,387	168,387



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

4. Investments in subsidiaries (cont'd)

a. Composition of the Group (cont'd)

Details of the subsidiaries held by the Company at the end of the financial year are as follows:

Name of company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest		Cost of investment by the Company	
			2017	2016	2017	2016
			%	%	\$	\$
<u>Held by the Company</u>						
Asian Micro Sdn. Bhd. ("AMM") ⁽³⁾	Malaysia	Currently inactive	100	100	2,765,013	2,765,013
A-P Engineering Pte Ltd ("APE") ⁽⁴⁾	Singapore	Struck off	–	80.1	–	105,263
SO NGV (S) Pte Ltd ("SO NGV (S)") ⁽¹⁾	Singapore	Currently inactive	74	74	74	74
AM NGV (T) Co., Ltd. ("AM NGV (T)") ⁽⁴⁾	Thailand	Currently under voluntary liquidation	74	74	250,000	250,000
AM NGV Auto Sales (Thailand) Co., Ltd. ("AM NGV Autosales (T)") ⁽²⁾ (Note 4d)	Thailand	Trading of NGV supplies	–	49	–	40,770
Leverage Income Sdn Bhd ("Leverage Income") ⁽³⁾ Note (b)	Malaysia	Property development	49	–	30,939	–
					9,189,803	9,304,897
					9,189,803	9,304,897

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

⁽²⁾ Audited by J.C. Accounting Office, Thailand

⁽³⁾ Audited by Tee & Partners, Malaysia

⁽⁴⁾ Not required to be audited by the laws of its country of incorporation

Note (a): AMS is currently under creditors' liquidation pursuant to a court order dated 9 May 2014. The Group has therefore lost control over AMS and its subsidiaries and ceased to consolidate AMS and its subsidiaries.

Note (b): While the Group holds 49% of the issued share capital in Leverage Income, it has control over the financial and operational policies via the majority representation on the board of directors of Leverage Income. Accordingly, Leverage Income is accounted for as a subsidiary of the Group.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

4. Investments in subsidiaries (cont'd)

b. Interest in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit/(loss) allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividend paid to NCI
30 June 2017:					
AM NGV (T) Co., Ltd.	Thailand	26	296,680	191,793	Nil
30 June 2016:					
AM NGV Auto Sales (Thailand) Co., Ltd.	Thailand	51	(176,252)	(1,008,492)	Nil

Significant restrictions:

There is no significant restriction on the Group's ability to use or access assets and settle liabilities of subsidiary with material non-controlling interests.

c. Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	AM NGV (T)		AM NGV Autosales (T)	
	2017	2016	2017	2016
	\$	\$	\$	\$
Current				
Assets	-	-	-	278,149
Liabilities	(1,188,951)	(2,330,030)	-	(4,874,489)
Net current liabilities	(1,188,951)	(2,330,030)	-	(4,596,340)
Non-current				
Assets	-	-	-	232,090
Liabilities	-	-	-	(41,573)
Net non-current assets	-	-	-	190,517
Net liabilities	(1,188,951)	(2,330,030)	-	(4,405,823)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

4. Investments in subsidiaries (cont'd)

c. Summarised financial information about subsidiary with material NCI (cont'd)

Summarised statement of comprehensive income

	AM NGV (T)		AM NGV Autosales (T)	
	2017	2016	2017	2016
	\$	\$	\$	\$
Revenue	-	-	-	570,344
Profit/(loss) before income tax	1,257,617	-	-	(296,958)
Income tax expense	-	-	-	-
Profit/(loss) after tax	1,257,617	-	-	(296,958)
Other comprehensive income	-	-	-	168,016
Total comprehensive income/(loss)	1,257,617	-	-	(128,942)
Other summarised information				
Net cash flows used in operation	-	-	-	(6,523)
Acquisition of significant plant and equipment	-	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

4. Investments in subsidiaries (cont'd)

d. Disposal of subsidiary

On 29 March 2017, the Group entered into a sale agreement to dispose of 49% of its interest in its subsidiary, Asian Micro NGV Auto Sales (Thailand) Co., Ltd (“AM NGV Autosales (T)”). The disposal consideration was fully settled in cash. The disposal was completed on 31 March 2017, on which date control of Asian Micro NGV Auto Sales (Thailand) Co., Ltd. passed to the acquirer.

The value of assets and liabilities of AM NGV Autosales (T) recorded in the consolidated financial statements as at 31 March 2017, and the effects of the disposal were:

	2017 \$
Plant and equipment	28,385
Trade and other receivables	346,590
Inventories	75,810
Cash and cash equivalents	49,558
	<hr/>
	500,343
Trade and other payables	(596,567)
Obligations under finance leases	(7,895)
	<hr/>
Carrying values of net liabilities	(104,119)
	<hr/> <hr/>
Cash consideration	180,000
Cash and cash equivalents of subsidiary	(49,558)
	<hr/>
Net cash inflow on disposal of a subsidiary	130,442
	<hr/> <hr/>
Loss on disposal:	
Cash consideration	180,000
Net liabilities derecognised	104,119
Non-controlling interest derecognised	(889,446)
Realisation of foreign currency translation reserve	124,895
	<hr/>
Loss on disposal of subsidiary (Note 22)	(480,432)
	<hr/> <hr/>



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

5. Other Investments

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Available for sale financial assets				
Unquoted equity investment, at cost				
At 1 July and 30 June	68,106	68,106	84,926	84,926
Impairment loss				
At 1 July and 30 June	(68,106)	(68,106)	(84,926)	(84,926)
Carrying value at 30 June	-	-	-	-

Details of other investments are as follows:

Name of company	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2017	2016
			%	%
Suria Professional Service Centre Sdn. Bhd. ("Suria") ⁽¹⁾	Conversion of natural gas vehicles	Malaysia		
Held by the Company			20	20
Held by a subsidiary			7	7
			27	27

⁽¹⁾ Audited by a local audit firm in Malaysia

As at 30 June 2017, the Group owns 27% in Suria Professional Service Centre Sdn. Bhd. Management has assessed that the Group does not have the ability to exercise significant influence over Suria Professional and the Group does not have any representation on the Board. Consequently, this investment in Suria Professional is treated as a long-term investment, as opposed to an investment in an associated company.

6. Inventories

	Group	
	2017	2016
	\$	\$
Finished goods (at lower of cost and net realisable value)	31,939	108,528

During the financial year, the Group made an allowance of \$24,432 (2016: \$81,110) for inventory obsolescence which is recognised under other expenses in profit or loss.

During the financial year, the Group reversed \$7,582 (2016: \$325,765) of the inventory write-down made previously, as the inventories were sold to customers above their carrying amounts during the current financial year.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

7. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Trade and other receivables (non-current):				
Trade receivables	-	158,983	-	-
Deposits	1,567,603	-	-	-
Loan to non-controlling interest of a subsidiary	32,709	-	-	-
Total trade and other receivables (non-current)	1,600,312	158,983	-	-
Trade and other receivables (current):				
Trade receivables	630,777	790,187	-	-
Other debtors	20,250	35,220	2,103	5,982
Deposits	8,061	8,708	3,858	4,098
Total trade and other receivables (current)	659,088	834,115	5,961	10,080
Total trade and other receivables	2,259,400	993,098	5,961	10,080
Add: Cash and bank balances and fixed deposits (Note 9)	1,488,846	2,104,903	380,767	309,759
Less: Goods and services tax ("GST") receivable	(18,369)	(6,851)	(2,103)	(5,982)
Add: Reversal of advance to supplier	-	11,083	-	-
Less: Deposits (non-current)	(1,567,603)	-	-	-
Total loans and receivables	2,162,274	3,102,233	384,625	313,857

Trade receivables

Non-current other receivables includes deposit of \$1,567,603 for the acquisition of land, and loan to non-controlling interest of a subsidiary, which is interest-free and repayable on demand. Current trade receivables are non-interest bearing and are generally on 30 to 90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. None of the receivables were subject to offsetting arrangements.

Allowance for doubtful trade and other receivables

During the financial year, the impairment loss recognised in the profit or loss for trade and other receivables was \$nil (2016: \$10,255) and \$nil (2016: \$2,128) respectively.

As at 30 June 2017, trade receivables of the Group denominated in foreign currency are as follows:

	Group	
	2017	2016
	\$	\$
United States dollars	276,656	355,014



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

7. Trade and other receivables (cont'd)

As at 30 June 2017, other receivables and deposits of the Group denominated in the foreign currency are as follows:

	Group	
	2017	2016
	\$	\$
Thailand Baht	1,176	-
United States Dollars	-	20,128

Other receivables and deposits of the Company were denominated in its functional currency.

The Group's trade and other receivables that are impaired at the balance sheet date and the movement of the allowance accounts are as follows:

	Group	
	2017	2016
	\$	\$
Movement in trade receivables allowance accounts:		
At 1 July	207,781	223,107
Charge for the year	-	10,255
Write-off	(198)	(2,045)
Exchange differences	357	(7,554)
Write-back	-	(15,982)
Disposal of subsidiary	(200,470)	-
At 30 June	7,470	207,781

Movement in other receivables allowance accounts:

At 1 July	153,776	152,041
Write-off	(4,885)	-
Charge for the year	-	2,128
Exchange differences	562	(393)
Disposal of subsidiary	(53,945)	-
At 30 June	95,508	153,776

The above represents a provision for individually impaired trade and other receivables whose carrying values aggregate \$7,470 (2016: \$207,781) and \$95,508 (2016: \$153,776) respectively as at year end.

Trade and other receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

7. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$149,888 (2016: \$273,784) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2017	2016
	\$	\$
<i>Trade receivables past due:</i>		
Less than 30 days	147,195	247,121
30 to 60 days	87	19,890
61 to 90 days	–	5,020
91 to 120 days	–	–
More than 120 days	2,606	1,753
	149,888	273,784

8. Due from/(to) subsidiaries (non-trade), net Due to related parties (non-trade), net Loan from director

These amounts are unsecured and are to be settled in cash. These amounts are interest-free and repayable on demand.

Due from subsidiaries (non-trade), net are stated after deducting the following allowance for doubtful receivables:

	Company	
	2017	2016
	\$	\$
<u>Movement of allowance for doubtful receivables</u>		
Balance at 1 July	22,680,842	23,330,806
Charge for the year	–	–
Write-back during the year	(7,207)	(649,964)
Write-off	(1,194,064)	–
	21,479,571	22,680,842



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

9. Fixed deposits Cash and bank balances

Cash and cash equivalents as at 30 June were as follows:

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cash and bank balances	1,287,640	1,181,535	380,767	209,659
Fixed deposits	201,206	923,368	–	100,100
	1,488,846	2,104,903	380,767	309,759
Less: Fixed deposits pledged	(201,206)	(200,955)	–	–
Cash and cash equivalents	1,287,640	1,903,948	380,767	309,759

Cash at bank earns interest at rates based on daily bank deposit rates ranging from 0.05% to 0.10% (2016: 0.00% to 0.10%) per annum.

Fixed deposits are placed with financial institutions for varying periods of between 2 months to 9 months depending on the immediate cash requirements of the Group. The fixed deposits earn interest at fixed deposit rates of 0.10% to 0.15% (2016: 0.10% to 0.15%) per annum for SGD fixed deposit, and Nil (2016: 3.20% to 4.22%) for Malaysia Ringgit (MYR) fixed deposit. Management considers these fixed deposits as cash and cash equivalents as they can be withdrawn anytime with minimal penalties.

Fixed deposits of \$ 201,206 (2016: \$200,955) are pledged to the banks to obtain credit trade facilities. The credit trade facilities are also secured by:

- (i) corporate guarantee of \$440,000 (2016: \$440,000) from the Company; and
- (ii) joint and several guarantee of \$440,000 (2016: \$440,000) from two major shareholders of the Company (one of whom is also a director of the Company).

As at 30 June 2017, there were no outstanding balances for the credit trade facilities (2016: \$Nil).

As at 30 June 2017, cash and bank balances of the Group denominated in foreign currency are as follows:

	Group	
	2017	2016
	\$	\$
United States dollars	408,987	521,423

Cash and cash equivalents of the Company were denominated in its functional currency.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

10. Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Trade and other payables:				
Trade payables	659,723	667,967	-	-
Other payables	67,065	138,469	9,562	57,520
Total trade and other payables	726,788	806,436	9,562	57,520
Add:				
Accrued expenses (Note 11)	318,423	361,223	144,027	79,682
Due to subsidiaries (non-trade), net (Note 8)	-	-	-	675,469
Due to related parties (non-trade) (current) (Note 8)	5,638	192,951	2,902	2,902
Obligation under finance leases (Note 12):				
- current	41,024	55,074	41,024	39,287
- non-current	79,950	126,610	79,950	120,975
Less: Accrued Central Provident Funds	(18,233)	(20,562)	(1,574)	(1,574)
Less: Advance from customer	(8,200)	(15,996)	-	-
Less: GST payable	(17,801)	-	-	-
Total financial liabilities carried at amortised cost	1,127,589	1,505,736	275,891	974,261

Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 day terms.

As at 30 June, trade payables of the Group denominated in foreign currencies are as follows:

	Group	
	2017	2016
	\$	\$
Euro	-	3,498
United States dollars	62,324	189,840



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

10. Trade and other payables (cont'd)

Other payables

Other payables are non-interest bearing and are normally settled on 30 to 90 day terms.

As at 30 June, other payables of the Group denominated in foreign currency are as follows:

	Group	
	2017	2016
	\$	\$
United States dollars	33	31

Other payables of the Company were denominated in its functional currency.

11. Accrued expenses

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Accrued expenses	154,289	200,676	74,125	18,103
Accrued personnel expenses	164,134	160,547	69,902	61,579
	318,423	361,223	144,027	79,682

12. Obligations under finance leases

	Effective interest rate % p.a.	Maturity	Group		Company	
			2017	2016	2017	2016
			\$	\$	\$	\$
Current:						
Obligations under finance leases (secured) (Note 25(b))	4.332%	2018	41,024	55,074	41,024	39,287
Non-current:						
Obligations under finance leases (secured) (Note 25(b))	4.332%	2019-2020	79,950	126,610	79,950	120,975

The Group and Company's obligations under finance leases of \$120,974 and \$120,974 respectively (2016: \$181,684 and \$160,262 respectively) relates to the motor vehicles held by key management personnel.

These obligations are secured by a charge over the leased assets (Note 3).



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

13. Share capital

	Group and Company			
	2017		2016	
	Number of shares	\$	Number of shares	\$
Issued and fully paid ordinary shares:				
At 1 July and 30 June	627,383,061	42,862,115	627,383,061	42,862,115

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has an employee share option plan (Note 24) under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.

14. Other reserves

(a) Share option reserve

Share option reserve represents the equity-settled share options granted to employees (Note 23). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry of the share options to retained earnings.

	Group and Company	
	2017	2016
	\$	\$
At 1 July and 30 June	40,051	40,051

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Other reserves

Other reserves relate to the disposal of the Company's shares in the financial year ended 30 June 2009.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

15. Revenue

	Group	
	2017	2016
	\$	\$ (Restated)
Natural Gas Vehicle (“NGV”) related business	2,734,243	2,458,517
Trading goods	1,414,407	1,673,642
	4,148,650	4,132,159
	4,148,650	4,132,159

16. Financial income/(expenses)

	Group	
	2017	2016
	\$	\$ (Restated)
Financial income		
Interest income from fixed deposits, bank balances and others	17,029	6,503
	17,029	6,503
Financial expenses		
Interest expense on:		
- Finance leases	(7,134)	(8,860)
Bank charges	(2,339)	(2,800)
	(9,473)	(11,660)
	(9,473)	(11,660)

17. Other income

Other income comprises the following:

	Group	
	2017	2016
	\$	\$ (Restated)
Foreign exchange gain, net	382,706	–
Gain on disposal of plant and equipment	–	29,578
Sales of scrap	5,742	3,214
Strike off of company	64,126	–
Write-back of payables that have expired	115,235	117,202
Reversal of provision for compensation	–	187,859
Productivity and Innovation Credit Scheme grant	–	152,918
Write back of allowance of stock obsolescence	7,582	–
Others	46,143	41,566
	621,534	532,337
	621,534	532,337



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

18. Other expenses

Other expenses comprise the following:

	Group	
	2017	2016
	\$	\$
		(Restated)
Allowance for doubtful debts (non-trade)	–	2,128
Allowance for inventories obsolescence	24,432	7,330
Foreign exchange loss, net	–	410,378
Plant and equipment written off	3,804	571
Others	281	831
	<hr/>	<hr/>
	28,517	421,238
	<hr/>	<hr/>

19. Profit before tax from continuing operations

The following items have been included in arriving at profit before tax:

	Group	
	2017	2016
	\$	\$
		(Restated)
Audit fees:		
- Auditor of the Company	85,500	85,500
- Other auditors	1,320	4,676
Non-audit fees:		
- Auditor of the Company	22,100	20,100
Inventories recognised as an expense in cost of sales	2,432,970	2,070,324
Depreciation of plant and equipment	172,960	173,861
Operating lease expense	63,835	66,793
Staff costs:		
- Salaries and bonuses	1,145,424	1,015,383
- Central Provident Fund contributions	88,037	103,317
- Training/course fee	3,395	107,798
- Other personnel expenses	43,614	30,955
	<hr/>	<hr/>

Included in the above is compensation of key management personnel as disclosed in Note 26(b).



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

20. Directors' remuneration

The number of directors of the Company whose emoluments fall within the following bands:

	2017	2016
\$250,000 to \$500,000	1	–
Below \$250,000	6	6
	7	6
	7	6

21. Income tax expense

Major components of income tax expense

Major components of income tax expense for the years ended 30 June were:

	Group	
	2017	2016
	\$	\$
Consolidated income statement:		
Current income tax-continuing operations:		
- Under provision in respect of prior years	2,312	–
	2,312	–

Relationship between tax expense and accounting loss

A reconciliation of the tax expense and the product of accounting loss multiplied by the applicable tax rate is as follows:

	Group	
	2017	2016
	\$	\$
Profit before tax from continuing operations	193,380	83,028
Loss before tax from discontinued operation	(241,451)	(296,959)
	(48,071)	(213,931)
	(48,071)	(213,931)
Tax at the applicable tax rate of 17%	(8,172)	(36,368)
Tax effect of expenses not deductible for tax purposes	370,816	242,667
Tax effect on income not subject to tax	(505,226)	(168,888)
Utilisation of deferred tax assets previously not recognised	(19,875)	(60,618)
Deferred tax assets not recognised	122,773	6,567
Effects of different tax rates in other countries	39,684	16,640
Under provision in respect of prior years	2,312	–
	2,312	–
Tax expense	2,312	–



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

21. Income tax expense (cont'd)

Deferred taxation at 30 June relate to the following:

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Deferred tax liabilities				
- Differences in depreciation for tax purposes	585	585	585	585

The Group

As at 30 June 2017, the Group has unrecognised tax losses and unutilised capital allowances of approximately \$8,121,099 (2016: \$7,511,928) and \$345,226 (2016: \$345,226), which are available for offset against future taxable profits, subject to agreement by the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operates. No deferred tax is recognised on these losses and unutilised capital allowances in accordance with the accounting policy as set out in Note 2.20(b).

At the end of the reporting period, there were no undistributed earnings recorded by the Group's subsidiaries.

22. Discontinued operation

On 29 March 2017, the Company announced the decision of its board of directors to dispose of one of its subsidiaries, Asian Micro NGV Auto Sales (Thailand) Co., Ltd. ("AM NGV Autosales (T)"), which was previously reported in the Natural Gas Vehicle ("NGV") segment. The decision is consistent with the Group's strategy to focus on diversifying its existing businesses to include property business. AM NGV Autosales (T) is classified as a discontinued operation because it represents the Thailand NGV related operations of the Group and the disposal was part of a single coordinated plan to cease the Group's remaining NGV related operations in Thailand.

The results of AM NGV Autosales (T) for the period ended 31 March 2017 are presented separately on profit or loss as "Loss from discontinued operation, net of tax". The disposal of AM NGV Autosales (T) was completed on 31 March 2017.

Income statement disclosures

The loss for the year from the discontinued operation is analysed as follows:

	Group	
	2017	2016
	\$	\$
Profit/(loss) from discontinued operation, net of tax	238,981	(296,959)
Loss on disposal of subsidiary (Note 4)	(480,432)	-
	(241,451)	(296,959)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

22. Discontinued operation (cont'd)

The results of the disposal operation for the period from 1 July 2016 to 31 March 2017 are as follows:

	2017 \$	2016 \$
Revenue	535,331	570,344
Expenses	(491,320)	(964,265)
Other income	394,573	335,792
Other expenses	(201,391)	(237,941)
Financial income	3,738	706
Financial expenses	(1,950)	(1,595)
Profit/(loss) from discontinued operation, net of tax	238,981	(296,959)

Cash flow statement disclosures

Operating	36,097	(6,275)
Investing	–	19,012
Financing	(5,729)	(7,223)
Net cash inflows	30,368	5,514

Note: Certain notes to the accounts have been re-stated to exclude the effects of the discontinued operation.

23. Earnings per share

Basic earnings per share is calculated by dividing the loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing the loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus weighted average number of ordinary shares that would be issued on the conversion of all the dilution potential shares into ordinary shares.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the years ended 30 June:

	Group	
	2017 \$	2016 \$
Loss from operations attributable to owners of the Company	(538,978)	(36,783)
- (Loss)/profit from continuing operations	(175,647)	108,727
- Loss from discontinued operation	(363,331)	(145,510)
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic loss per share	627,383,061	627,383,061



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

23. Earnings per share (cont'd)

As at 30 June 2017, 2,000,000 of share options outstanding under the existing employee share option scheme have not been included in the calculation of diluted loss per share because they are anti-dilutive for the financial year presented.

24. Employee benefits

The Company has an employee share option scheme, Asian Micro Holdings Limited Employees' Share Option Scheme (2010) ("the ESOS 2010") awarded to confirmed staff.

Asian Micro Holdings Limited Employees' Share Option Scheme 2010 ("the ESOS 2010")

The exercise price of the options was set at the average market price for the 5 consecutive trading days immediately preceding the offering date of the option. The options may be exercisable immediately or at any time from 1 to 10 years beginning on the first anniversary of the date of grant. Options granted are cancelled when the option holder ceases to be under full time employment of the Company or any corporation in the Group subject to certain exceptions at the discretion of the Company. There are no cash settlement alternatives. There has been no modification to the scheme during the year.

Information with respect to the number of options granted is as follows:

Date granted	Option exercise period	Exercise price	Balance at 1 July 2016	Options exercised during the year	Balance at 30 June 2017
ESOS 2010					
July 2012	July 2013 – July 2022	\$0.022	2,000,000	–	2,000,000

Movement of share options during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	2017		2016	
	No.	WAEP(\$)	No.	WAEP(\$)
ESOS 2010				
Outstanding at beginning of the year	2,000,000	0.022	2,000,000	0.022
Exercised during the year	–	–	–	–
Outstanding at end of year ⁽¹⁾	2,000,000	0.022	2,000,000	0.022

⁽¹⁾ The exercise price for options outstanding at the end of the year was \$0.022 (2016: \$0.022). The weighted average remaining contractual life for these options is 5 years (2016: 6 years).

Fair value of share options granted

The fair value of share options as at the date of grant was estimated using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted.

The expected life of the options was based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflected the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

25. Commitments and contingencies

(a) Operating lease commitments – as lessee

The Group leases certain properties under lease agreements. These leases have an average life of less than one year with renewal option but no contingent rent provision included in the contracts. There were no restrictions placed upon the Group or the Company by entering into these leases. Operating lease payments recognised in the consolidated profit or loss during the year amounted to \$63,835 (2016: \$110,510).

Future minimum lease payments under non-cancellable operating leases as at 30 June are as follows:

	Group	
	2017	2016
	\$	\$
Within one year	47,426	47,426

This non-cancellable lease has remaining lease term of 9 months.

(b) Finance lease commitments

The Group has finance leases for certain items of machinery, equipment and motor vehicles (Note 3). There were no restrictions placed upon the Group by entering into these leases. The average discount rate implicit in the leases is 4.332% (2016: 3.219% to 4.418%) per annum.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
	2017	2017	2016	2016
	\$	\$	\$	\$
Not later than one year	45,456	41,024	63,199	55,074
Later than one year but not later than five years	83,312	79,950	135,214	126,610
Total minimum lease payments	128,768	120,974	198,413	181,684
Less: Amounts representing finance charges	(7,794)	–	(16,729)	–
Present value of minimum lease payments	120,974	120,974	181,684	181,684



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

25. Commitments and contingencies (cont'd)

(b) Finance lease commitments (cont'd)

	Company			
	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
	2017	2017	2016	2016
	\$	\$	\$	\$
Not later than one year	45,456	41,024	45,457	39,287
Later than one year but not later than five years	83,312	79,950	128,768	120,975
Total minimum lease payments	128,768	120,974	174,225	160,262
Less: Amounts representing finance charges	(7,794)	–	(13,963)	–
Present value of minimum lease payments	120,974	120,974	160,262	160,262

(c) Continuing financial support

As at 30 June 2017, the Company had given undertakings to certain subsidiaries to provide financial support to enable them to operate as going concerns and to meet their obligations for at least 12 months from the respective date of the directors' statement.

26. Related party disclosures

The following are the significant intercompany transactions entered into by the Group with its related parties:

(a) Sales and purchases of goods and services

	Group	
	2017	2016
	\$	\$
Rental expense paid to related parties *	95,643	108,424

* The Group has entered into contracts with Ultraline Holdings (Thailand) Co., Ltd and ACI Technology (S) Pte Ltd, which are owned by two major shareholders of the Company (one of whom is also a director of the Company), for the lease of factory space and office premises.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

26. Related party disclosures (cont'd)

(b) Compensation of key management personnel

	Group	
	2017	2016
	\$	\$
Short-term employee benefits	932,523	846,975
Central Provident Fund contributions	70,751	86,407
	<hr/>	<hr/>
Total compensation paid to key management personnel	1,003,274	933,382
	<hr/> <hr/>	<hr/> <hr/>
Comprise amounts for:		
- Directors of the Company	628,983	582,913
- Other key management personnel	374,291	350,469
	<hr/>	<hr/>
	1,003,274	933,382
	<hr/> <hr/>	<hr/> <hr/>

27. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Group's exposure to these financial risks or the manner to which it manages and measures the risks during the year.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. Trade and other receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the balance sheets; and
- a nominal amount of \$440,000 (2016: \$440,000) relating to a corporate guarantee provided by the Company to a bank on a subsidiary's bank facility.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

27. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	Group		Group	
	2017		2016	
	\$	% of total	\$	% of total
By country:				
Singapore	353,591	56	403,275	40
Philippines	134,391	21	168,641	17
Thailand	142,090	22	417,861	42
People's Republic of China	705	1	690	1
	630,777	100	990,467	100

At the balance sheet date, approximately 87% (2016: 61%) of the Group's trade receivables were due from three major customers.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances, that are neither past due nor impaired, are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 7.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

27. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Group 2017	1 year or less \$	1 to 5 years \$	Over 5 years \$	Total \$
Financial assets				
Trade and other receivables, excluding statutory tax recoverable and deposits (non-current) (Note 7)	640,719	32,709	–	673,428
Fixed deposits	201,206	–	–	201,206
Cash and bank balances	1,287,640	–	–	1,287,640
Total undiscounted financial assets	2,129,565	32,709	–	2,162,274
Financial liabilities				
Trade and other payables, excluding advance from customer and tax payable (Note 10)	(700,787)	–	–	(700,787)
Accrued expenses, excluding accrued Central Provident Funds	(300,190)	–	–	(300,190)
Due to related parties (non-trade)	(5,638)	–	–	(5,638)
Obligations under finance leases	(45,456)	(83,312)	–	(128,768)
Total undiscounted financial liabilities	(1,052,071)	(83,312)	–	(1,135,383)
Total net undiscounted financial assets	1,077,494	(50,603)	–	(1,026,891)
Group 2016				
Financial assets				
Trade and other receivables, excluding statutory tax recoverable	838,347	158,983	–	997,330
Fixed deposits	923,368	–	–	923,368
Cash and bank balances	1,181,535	–	–	1,181,535
Total undiscounted financial assets	2,943,250	158,983	–	3,102,233
Financial liabilities				
Trade and other payables, excluding advance from customer	(790,440)	–	–	(790,440)
Accrued expenses, excluding accrued Central Provident Funds	(340,661)	–	–	(340,661)
Due to related parties (non-trade)	(192,951)	–	–	(192,951)
Obligations under finance leases	(63,199)	(135,214)	–	(198,413)
Total undiscounted financial liabilities	(1,387,251)	(135,214)	–	(1,522,465)
Total net undiscounted financial assets	1,555,999	23,769	–	1,579,768



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

27. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Company 2017	1 year or less \$	1 to 5 years \$	Over 5 years \$	Total \$
Financial assets				
Trade and other receivables, excluding tax recoverable	3,858	-	-	3,858
Cash and bank balances	380,767	-	-	380,767
Total undiscounted financial assets	384,625	-	-	384,625
Financial liabilities				
Trade and other payables	(9,562)	-	-	(9,562)
Accrued expenses, excluding accrued Central Provident Funds	(142,453)	-	-	(142,453)
Due to related parties (non-trade)	(2,902)	-	-	(2,902)
Obligations under finance leases	(45,456)	(83,312)	-	(128,768)
Total undiscounted financial liabilities	(200,373)	(83,312)	-	(283,685)
Total net undiscounted financial liabilities	184,252	(83,312)	-	100,940
<hr/>				
Company 2016	1 year or less \$	1 to 5 years \$	Over 5 years \$	Total \$
Financial assets				
Trade and other receivables, excluding tax recoverable	4,098	-	-	4,098
Fixed deposits	100,100	-	-	100,100
Cash and bank balances	209,659	-	-	209,659
Total undiscounted financial assets	313,857	-	-	313,857
Financial liabilities				
Trade and other payables	(57,520)	-	-	(57,520)
Accrued expenses, excluding accrued Central Provident Funds	(78,108)	-	-	(78,108)
Due to related parties (non-trade)	(2,902)	-	-	(2,902)
Due to subsidiaries (non-trade)	(675,469)	-	-	(675,469)
Obligations under finance leases	(45,457)	(128,768)	-	(174,225)
Total undiscounted financial liabilities	(859,456)	(128,768)	-	(988,224)
Total net undiscounted financial liabilities	(545,599)	(128,768)	-	(674,367)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

27. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk is minimal.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD and THB. The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD). Approximately 28% (2016: 51%) of the Group's sales are denominated in foreign currencies whilst 99% (2016: 99%) of purchases are denominated in the respective functional currencies of the Group entities. The Group has trade receivables and trade payables denominated in foreign currency. At the balance sheet date, trade receivables and trade payables denominated in foreign currency balances (mainly in USD) amounted to \$276,656 and \$62,324 (2016: \$355,014 and \$193,338) respectively.

The Group also holds cash denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD and amounted to \$408,987.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia and Thailand. The Group's net investments in Malaysia and Thailand are not hedged.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

	Group Increase/(decrease) Profit before tax 2017 \$
<i>USD</i>	
Strengthened by 2%	12,466
Weakened by 2%	(12,466)
	<hr/> <hr/>
	Group Increase/(decrease) Profit before tax 2016 \$
<i>USD</i>	
Strengthened by 1%	6,866
Weakened by 1%	(6,866)
	<hr/> <hr/>



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

28. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are recognized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables (Note 7), due to related parties (Note 8), due from subsidiaries (Note 8), trade and other payables (Note 10), accrued expenses (Note 11) and obligations under finance leases (current) (Note 12).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period, or that the applicable market rate of return at the reporting date is close to the effective interest rate of the balance.

(c) Fair value of assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows the analysis of the Group's assets and liabilities not measured at fair value but for which fair value is disclosed using significant unobservable inputs (Level 3):

	Total carrying amount		Aggregate fair value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Group				
Finance leases obligations repayable after 1 year but within 5 years	79,950	126,610	78,533	121,933
Company				
Finance leases obligations repayable after 1 year but within 5 years	79,950	120,975	78,533	115,876

Determination of fair value

The fair value as disclosed in the table above is estimated by discounting expected future cash flows at market incremental lending rate for similar types of leasing arrangements at the reporting date.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

28. Fair value of assets and liabilities (cont'd)

(d) Fair value of assets and liabilities that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

Fair value information has not been disclosed for the Group's and the Company's other investments (Note 5) because fair value cannot be measured reliably. There is no trading market value for the other investments.

29. Capital management

The primary objective of the Group's capital management is to ensure that it maintains adequate funds to support its business activities and to continue as a going concern. The capital base that is managed relates to the Group's and Company's equity attributable to owners of the Company as presented in the balance sheets.

The Group adopts an appropriate capital base so as to maintain investor, creditor and market confidence, and to continue the future development and growth of the business. To maintain or adjust the capital structure, the Group may issue new shares.

The Group actively and regularly reviews and manages its capital structure to ensure optimal shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investing opportunities.

There were no changes in the Group's approach to capital management during the year.

The Group and Company are not subject to externally imposed capital requirements.

30. Segment information

For management purposes, the Group is organised into business units based on their product and services, and has four reportable operating segments as follows:

Tray washing and recycling

Tray washing and recycling segment provides services of recycling and precision cleaning of packaging trays and media/disk cassettes used in the hard disk drive and semiconductor industry. This segment also includes precision parts cleaning and parts visual inspection as well as clean room laundry cleaning services.

Trading

Trading is in the business of providing industrial used plastic bags for hard disk drive and semi-conductor customers.

Corporate

The corporate segment is involved in Group-level corporate services.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

30. Segment information (cont'd)

Natural Gas Vehicle ("NGV") related business

NGV related business segment refers to the trading of NGV related products such as bi-fuel conversion kits and cylinders and transportation of CNG refilling gas service.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Geographical information

The Group's geographical information are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Information about major customers

Revenue from one major customer in the NGV related business segment amounted to \$2,723,138 (2016: \$2,124,732).

Revenue from one major customer in the trading segment amounted to \$565,143 (2016: \$782,088).



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

30. Segment information (cont'd)

Segments

The following tables presents revenue and results information regarding the Group's reportable operating segments for the financial years ended 30 June 2017 and 2016 (in \$'000).

	Tray recycling		Trading		Natural Gas Vehicle ("NGV") related business		Corporate and others		Elimination		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Segment revenue												
Continuing operations												
Sales to external customers	-	-	1,415	1,674	2,734	2,458	-	-	-	-	4,149	4,132
Inter-segment sales	-	-	-	-	-	-	1,110	1,050	(1,110)	(1,050)	-	-
Total revenue	-	-	1,415	1,674	2,734	2,458	1,110	1,050	(1,110)	(1,050)	4,149	4,132
Discontinued operation												
Sales to external customers	-	-	-	-	535	570	-	-	-	-	535	570
Segment results												
Continuing operations	66	(80)	(274)	94	940	146	1,492	705	(2,039)	(776)	185	89
Discontinued operation	-	-	-	-	(241)	(297)	-	-	-	-	(241)	(297)
Financial expenses	-	-	-	-	-	-	-	-	-	-	(9)	(13)
Financial income	-	-	-	-	-	-	-	-	-	-	17	7
Loss before taxation	-	-	-	-	-	-	-	-	-	-	(48)	(214)
Tax expense	-	-	-	-	-	-	-	-	-	-	(2)	-
Loss for the year	-	-	-	-	-	-	-	-	-	-	(50)	(214)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

30. Segment information (cont'd)

Segments (cont'd)

Included in this segment results are the following material items of income/(expense):

	Tray recycling		Trading		Natural Gas Vehicle ("NGV") related business		Corporate and others		Elimination		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Segment results												
Continuing operations:												
Allowance for inventories obsolescence	-	-	(23)	(7)	(1)	-	-	-	-	-	(24)	(7)
Write-back of allowance for inventories obsolescence	-	-	8	-	-	-	-	-	-	-	8	-
Gain/(loss) on disposal of plant and equipment	-	-	-	5	-	-	-	-	-	25	-	30
Foreign exchange gain/(loss)	509	(347)	59	5	(103)	84	(283)	100	201	(252)	383	(410)
Inventories recognised as an expense in cost of sales	-	-	(811)	(922)	(1,622)	(1,148)	-	-	-	-	(2,433)	(2,070)
Operating lease expenses	-	-	(31)	(32)	-	-	(33)	(35)	-	-	(64)	(67)
Staff costs	-	-	(311)	(287)	(353)	(410)	(617)	(560)	-	-	(1,281)	(1,257)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

30. Segment information (cont'd)

Segments (cont'd)

	Tray washing and recycling		Trading		Natural Gas Vehicle ("NGV") related business		Corporate and others		Elimination		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Segment assets	\$ 32	\$ 470	\$ 6,167	\$ 6,170	\$ 3,035	\$ 3,122	\$ 6,213	\$ 4,000	\$ (11,438)	\$ (10,113)	\$ 4,009	\$ 3,649
Total assets											4,009	3,649
Segment liabilities	(9,109)	(9,113)	(7,008)	(6,736)	(9,006)	(14,322)	(5,303)	(4,543)	28,380	33,129	(2,046)	(1,585)
Total liabilities											(2,046)	(1,585)
Capital expenditure	-	-	2	30	-	-	-	24	-	-	2	54
Depreciation	10	10	29	30	-	-	134	134	-	-	173	174



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

30. Segment information (cont'd)

The following table presents revenue and assets information based on the geographical location of customers and assets, respectively, for the years ended 30 June 2017 and 2016 (in \$'000).

	Singapore		Malaysia		Thailand		People's Republic of China		Philippines		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
- Continuing operations	3,002	2,799	-	-	499	489	1	18	826	647	4,149	4,132
- Discontinued operation	-	-	-	-	535	570	-	-	-	-	535	570
Assets	2,345	2,636	1,651	625	13	388	-	-	-	-	4,009	3,649



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

31. Events occurring after the reporting date

During the financial year ended 30 June 2017, the Company's subsidiary Leverage Income Sdn Bhd entered into two sales and purchase agreements to acquire two plots of land in Pulau Pinang, Malaysia. The acquisition of the two plots of land, Lot 874 and Lot 875 was completed on 3 July 2017 and 10 July 2017 respectively and the title deeds have been officially transferred in August 2017.

32. Authorisation of financial statements for issue

The financial statements for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 27 September 2017.



SHAREHOLDERS' INFORMATION

As at 14 September 2017

NO. OF SHARES ISSUED	:	627,383,061
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER ORDINARY SHARE
SUBSIDIARY HOLDINGS	:	NIL

The Company does not have any treasury shares and subsidiary holdings as at 14 September 2017.

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	2	0.06	3	0.00
100 - 1,000	1,057	29.10	1,054,319	0.17
1,001 - 10,000	1,397	38.46	7,659,100	1.22
10,001 - 1,000,000	1,127	31.03	118,047,946	18.81
1,000,001 and above	49	1.35	500,621,693	79.80
	3,632	100.00	627,383,061	100.00

TWENTY LARGEST SHAREHOLDERS AT 14 SEPTEMBER 2017

No.	Name of Shareholders	Number of Shares	%
1	LIM KEE LIEW @ VICTOR LIM	148,224,769	23.63
2	LEONG LAI HENG	137,184,174	21.87
3	LIN XIANGLONG WINCHESTER	21,537,483	3.43
4	UOB KAY HIAN PTE LTD	14,440,000	2.30
5	YARECO (PRIVATE) LIMITED	13,650,000	2.18
6	MAYBANK KIM ENG SECURITIES PTE LTD	11,799,800	1.88
7	ULTRALINE TECHNOLOGY (S) PTE LTD	11,699,105	1.87
8	CHUA TEONG CHUNG	9,000,000	1.44
9	NG CHEE WEE	8,277,586	1.32
10	LEE ENG YEW	7,350,000	1.17
11	LOW CHOR CHUAN	7,098,000	1.13
12	YAP KHEE HENG	6,798,100	1.08
13	DBS NOMINEES PTE LTD	6,459,000	1.03
14	WANG KAI YUEN	6,226,000	0.99
15	AMERICAN CONVERTERS INDUSTRIES PTE LTD	5,590,576	0.89
16	NG SIEW LING	5,400,000	0.86
17	PUAN CHU LIANG	5,000,000	0.80
18	TAN LYE SENG	4,897,700	0.78
19	PHILLIP SECURITIES PTE LTD	4,654,000	0.74
20	PEREIRA GERARD WILSON	4,170,200	0.66
		439,456,493	70.05

45.86% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.



SHAREHOLDERS' INFORMATION

As at 14 September 2017

SUBSTANTIAL SHAREHOLDERS AS AT 14 SEPTEMBER 2017

(As recorded in the Register of Substantial Shareholders)

NAME OF SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST		
LIM KEE LIEW @ VICTOR LIM	(a)	148,224,769	23.63%	155,729,855	24.82%
LEONG LAI HENG	(b)	137,184,174	21.87%	166,770,450	26.58%

Notes:

- (a) Mr. Lim Kee Liew @ Victor Lim's deemed interest arose through 496,000 shares held by DBS Nominees (Private) Limited, 11,699,105 shares held by Ultraline Technology (S) Pte Ltd and 5,590,576 shares held by American Converters Industries Pte Ltd. He is also deemed to have an interest in the 137,944,174 shares held by his spouse, Mdm. Leong Lai Heng.
- (b) Mdm. Leong Lai Heng's deemed interest arose through 760,000 shares held by United Overseas Bank Nominees (Private) Limited, 11,699,105 shares held by Ultraline Technology (S) Pte Ltd and 5,590,576 shares held by American Converters Industries Pte Ltd. She is also deemed to have an interest in the 148,720,769 shares held by her spouse, Mr. Lim Kee Liew @ Victor Lim.
- * Mr. Lim Kee Liew @ Victor Lim and Mdm. Leong Lai Heng each own 50% of the entire issued and paid-up share capital of Ultraline Technology (S) Pte Ltd and American Converters Industries Pte Ltd.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Asian Micro Holdings Limited (the “Company”) will be held at Orchid Country Club, Sapphire, 1 Orchid Club Road, Singapore 769162 on Friday, 20 October 2017 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2017 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company retiring pursuant to Article 89 of the Constitution of the Company:

Mr. Chue Wai Tat	(Retiring under Article 89)	(Resolution 2)
Mr. Ng Chee Wee	(Retiring under Article 89)	(Resolution 3)

Mr. Chue will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and members of the Nominating and Remuneration Committees and will be considered independent for the purpose of Rule 704(7) of the Listing Manual – Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.
3. To approve the payment of Directors’ fees of S\$56,000 for the financial year ended 30 June 2017 (2016: S\$55,000). **(Resolution 4)**
4. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. Authority to issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of Section B of the Singapore Exchange Securities Trading Limited Listing Manual: Rules of Catalist (the “**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and



NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of any convertible securities;
- (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)]

(Resolution 6)



NOTICE OF ANNUAL GENERAL MEETING

7. Authority to issue shares under the Asian Micro Employees' Share Option Scheme 2010

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant options under the prevailing Asian Micro Employees' Share Option Scheme 2010 (the "Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed twenty five per centum (25%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

(Resolution 7)

By Order of the Board

Toh Li Ping, Angela
Company Secretary
Singapore, 4 October 2017

Explanatory Notes:

- (i) The Ordinary Resolution 6 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (ii) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in aggregate (for the entire duration of the Scheme) twenty five per centum (25%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.



NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. (a) A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Annual General Meeting (the “Meeting”).

(b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a Member of the Company.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 63 Hillview Avenue, #08-01 Lam Soon Industrial Building, Singapore 669569 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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ASIAN MICRO HOLDINGS LIMITED

(Company Registration No.199701052K)
 (Incorporated In The Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____

of _____

being a member/members of Asian Micro Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Orchid Country Club, Sapphire, 1 Orchid Club Road, Singapore 769162 on Friday, 20 October 2017 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	Number of Votes For ⁽¹⁾	Number of Votes Against ⁽¹⁾
1	Directors' Statement and Audited Financial Statements for the year ended 30 June 2017 together with Auditors' Report thereon		
2	Re-election of Mr. Chue Wai Tat as a Director		
3	Re-election of Mr. Ng Chee Wee as a Director		
4	Approval of Directors' fees amounting to S\$56,000		
5	Re-appointment of Messrs Ernst & Young LLP as Auditors		
6	Authority to issue new shares		
7	Authority to issue shares under the Asian Micro Employees' Share Option Scheme 2010		

⁽¹⁾ If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

 Signature of Shareholder(s)
 or, Common Seal of Corporate Shareholder

*Delete where inapplicable



Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
 6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 63 Hillview Avenue, #08-01 Lam Soon Industrial Building, Singapore 669569 not less than forty-eight (48) hours before the time appointed for the Meeting.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 October 2017.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



ASIAN MICRO HOLDINGS LIMITED

63 Hillview Avenue #08-01
Lam Soon Industrial Building
Singapore 669569
Tel: 65 6862 7777
Fax: 65 6862 6277
Company Registration No. 199701052K

www.asianmicro.com.sg