



**ASIAN MICRO
HOLDINGS LIMITED**

**SUSTAINABILITY
REPORT
FY2019**



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

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ASIAN MICRO
HOLDINGS LIMITED

STATEMENT FROM BOARD

Asian Micro Holdings Limited (“AMH” or “Company”, and together with its subsidiaries “Group”) remains committed to long-term value creation for our stakeholders, through conducting our business responsibly and sustainably.

Our Group is pleased to present the second sustainability report, to disclose on our management of Environment, Social and Governance (“ESG”) topics, recognising that sustainable considerations across our business will ensure the long-term resilience of our business while contributing positively to the environment and society. In FY2018, we published our inaugural sustainability report with disclosures on five material ESG matters identified in the first formal materiality assessment. This year, our review of these matters shows that they remain significant and relevant to our business.

The board of directors (“Board”) has considered sustainability issues as part of the company’s strategic formulation. The board also commits to introduce and implement the best ESG policies and practices in the industry by determining ESG factors as well as overseeing the management and monitoring of the material ESG factors.

We welcome feedback with regards to the Group’s sustainability as a means to improve economic, social, and environmental performance as we continue to create sustainable value for our stakeholders.



ASIAN MICRO
HOLDINGS LIMITED

INTRODUCTION

ABOUT THE REPORT

This is our second Sustainability Report. The report is prepared in accordance with Singapore Exchange Securities Trading (“SGX-ST”) Catalist Listing Rule 711(B) and referenced to Global Reporting Initiatives (“GRI”) Standards: Core. The GRI standards were selected as it provides an internationally recognised framework that supports a standardised approach for businesses to report on critical sustainability issues. In line with SGX’s guidance for companies to account ESG factors in their operations, our Group aims to integrate sustainability within our business.

This report consists of our non-financial performance and sustainability practices implemented in our Singapore operations in the supply of Compressed Natural Gas (“CNG”) and provision of clean room grade plastic packaging bags and material, from 1 July 2018 to 30 June 2019 (“FY2019”) with three years of comparison data made available, where relevant. There were no significant changes to our operations during the reporting year.

No external assurance has been sought for this report. However, as our Group progresses in our sustainability efforts, we may consider seeking independent assurance of our sustainability report. In our future sustainability reports, our Group could also feature a more comprehensive coverage of our business operations.

We welcome any feedback for this report and for matters related to our sustainability performance to meet stakeholders’ expectations. Please send your feedback to our Finance Manager, Mr. Phan Guo Yee at guoyee@asianmicro.com.sg.

ABOUT ASIAN MICRO HOLDINGS LIMITED

Established in 1997, Asian Micro Holdings Limited is primarily engaged in the provision of CNG supply and related products and services. Headquartered in Singapore, our Group has been listed on the SGX-ST Catalist Board since 1999.

Our Group supplies CNG skids used for storing and transporting CNG to local industries for gas cutting, heat treatment and power generation for various customers bases spanning from the oil and gas, marine and offshore, aviation, shipyard to manufacturing industries. Our Group continually explores innovative ways of introducing industrial consumers to the use of natural gas and energy saving methods.

The Group’s secondary core business includes the provision of clean room grade plastic packaging bags and materials for packaging cleaned finished products in the hard disk drive and semiconductor industries. Additionally, 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.



STAKEHOLDER ENGAGEMENT

To achieve long-term sustainability, we take steps to engage with our stakeholders to hear their expectations and key concerns. Our stakeholders include those with an interest or concern in our business and whom is directly impacted by our business. The table below summaries AMH's stakeholder engagement approach.

Stakeholder	Objective	Mode of Engagement	Frequency of Engagement	Key Concerns	Our Response
Shareholders 	<ul style="list-style-type: none"> Enhance shareholder value 	<ul style="list-style-type: none"> Half-yearly results updates Annual general meetings, Extraordinary general meeting, if any Announcements, annual report, and circulars, if any 	<ul style="list-style-type: none"> Half year Annually and as appropriate As appropriate 	<ul style="list-style-type: none"> Company growth strategy and outlook Corporate governance 	<ul style="list-style-type: none"> Update potential investors and shareholders regularly via SGXNet To maintain company's financial and governance performance
Employees 	<ul style="list-style-type: none"> Employee satisfaction and retention 	<ul style="list-style-type: none"> Staff recreational activities Regular meetings 	<ul style="list-style-type: none"> Ongoing Ongoing 	<ul style="list-style-type: none"> Company's continued growth/job security 	<ul style="list-style-type: none"> Recognise and reward contributions of employees Enhance communication
Customers 	<ul style="list-style-type: none"> Deliver products and services of high quality 	<ul style="list-style-type: none"> Regular engagement by operation team 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Product/service satisfaction 	<ul style="list-style-type: none"> Review feedback and continue to maintain regular communication
Suppliers 	<ul style="list-style-type: none"> Establish good relations 	<ul style="list-style-type: none"> Review meetings with suppliers 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Timely payment 	<ul style="list-style-type: none"> Provide clear expectations Facilitate regular communication
Government/ Regulators, (e.g. SGX, SCDF, MOM, NEA etc.) 	<ul style="list-style-type: none"> Compliance to regulators' requirements 	<ul style="list-style-type: none"> Answer regulators' queries Participation in consultation sessions 	<ul style="list-style-type: none"> As appropriate As appropriate 	<ul style="list-style-type: none"> Compliance to laws and regulations 	<ul style="list-style-type: none"> Adopt an open approach and collaborative spirit Internal controls to maintain high standards

MATERIALITY ASSESSMENT

AMH has identified five material matters through a materiality assessment conducted in FY2018. These material matters were determined by their potential impacts on external stakeholders and internal stakeholders. This year, we reviewed the five material matters and confirmed their relevancy and materiality to our stakeholders. Please refer to the figure below for our materiality assessment process:

FY2018			FY2019
Step 1: Identification	Step 2: Prioritisation	Step 3: Validation	Step 4: Review
<ul style="list-style-type: none"> • Desktop analysis of Sustainability Reports established by other peers • Interviews with relevant personnel across different departments • Selection of a list of Economic, Environment, Social and Governance (EESG) matters 	<ul style="list-style-type: none"> • Discussion of EESG matters with relevant personnel • Relevant personnel rates and prioritises EESG matters • Both internal and external stakeholders' perspectives are taken into consideration 	<ul style="list-style-type: none"> • Board validates and approves material matters that are previously identified in Step Two 	<ul style="list-style-type: none"> • A review was conducted that determined the reporting matters to remain relevant and material • Material matters will continue to be assessed in subsequent reporting period 

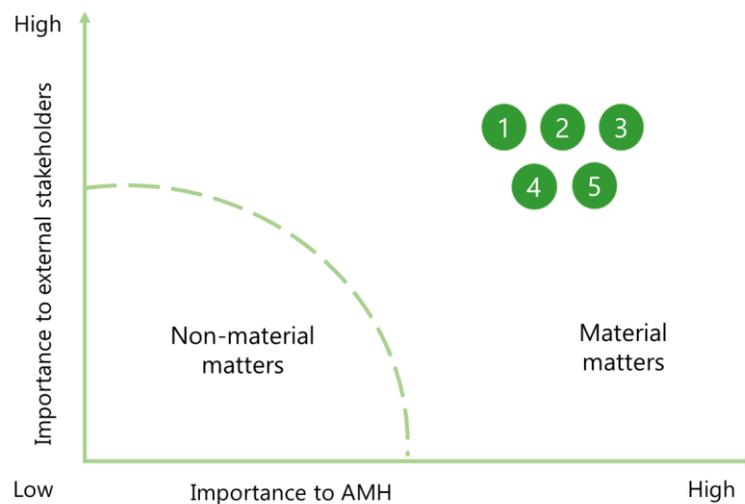


Figure 1. Materiality Assessment Matrix (matters presented in no particular order)

Material Matters		Corresponding GRI Standard Disclosures
1	Compliance with Laws and Regulations	GRI 307-1: Non-compliance with environmental laws and regulations GRI 419-1: Non-compliance with laws and regulations in the social and economic area
2	Energy Usage and Associated GHG Emissions	GRI 302-1: Energy consumption within the organisation GRI 302-3: Energy intensity GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions GRI 305-4: GHG emissions intensity
3	Effluents and Waste Management	GRI 306-2: Waste by type and disposal method GRI 306-3: Significant spills
4	Occupational Health and Safety	GRI Standards 2016, 403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
5	Talent Management and Development	GRI 404-1: Average hours of training per year per employee

SUSTAINABILITY APPROACH

Management supports the Board in implementing, executing and monitoring the integration of sustainability across the Group.

With a strong commitment to sustainability, the Management reviews the Group's business and operational activities regularly to identify areas of significant business risks including sustainability risks, as well as appropriate measures to control and mitigate these risks. For the full statement on our risk management practices, please refer to our Corporate Governance Report found in pages 13-29 of our Annual Report 2019.



CORPORATE GOVERNANCE

COMPLIANCE WITH LAWS AND REGULATIONS

AMH believes that effective corporate governance practices are essential to safeguard and enhance shareholders' value. AMH has put in place corporate policies to ensure high standards of corporate governance and ensures that it operates in line with all applicable laws, rules and regulations. All employees are expected to abide by them and uphold professionalism and integrity in the course of performing their duties at work at all times.

Our internal whistle-blowing policy provides a channel for employees to report any concerns and incidents on any possible improprieties, misconduct and malpractices by sending an email directly to our independent director. This policy is communicated to all employees. There is also a grievance mechanism in place where employees can raise any complaints to their supervisor and superiors. In response to any reported incidents or grievances, AMH will conduct a thorough investigation and take appropriate follow-up action.

As CNG is regarded as a flammable hazardous material, AMH conforms strictly to the Singapore Civil Defence Force (SCDF)'s regulations on the transport of hazardous materials. This includes transport licensing, vehicle tracking, yearly vehicle inspections, and permitted timings and routes for the transport of CNG. Other relevant laws and legislations include those from SGX, Ministry of Manpower ("MOM"), Central Provident Fund ("CPF") Board and National Environment Agency ("NEA").

In FY2019, there were zero cases of non-compliance with all laws and regulations across the economic, social and environmental spheres. We will continue to maintain this performance in the subsequent years.

Perpetual Target	Performance in FY2019
Zero cases of non-compliance with all laws and regulations (socio-economic, environmental)	Achieved



ENVIRONMENTAL SUSTAINABILITY

AMH strives to minimise the environmental impact of its operations wherever possible while promoting cleaner forms of energy through our involvement in the CNG industry. This helps improve business and operational efficiency, and aligns with national priorities. Environmental issues (namely energy and emissions, waste and effluents) are overseen and managed by our Operations Director.

ENERGY USAGE AND ASSOCIATED GHG EMISSIONS

In comparison with other fuels (such as gasoline and diesel), CNG is considered the cleanest form of fossil fuel energy source with significantly less greenhouse gas emissions per unit of energy. In promoting environmental sustainability, AMH seeks to expand the use of such cleaner forms of energy in Singapore and is looking to expand into the liquefied natural gas (“LNG”) business which is even cleaner and safer than CNG.

Last year, we embarked on an energy saving initiative in our office, replacing our lights to more energy-efficient Light-Emitting Diode (“LED”) lighting. AMH is pleased to report that this has also been implemented at our production facility. We also constantly encourage our employees to turn off all the lights when not in use. Another energy consumption source within our office is air-conditioning. At any one time, AMH only makes use of two out of the four air-conditioners that are installed, and makes sure to set an energy-saving room temperature of 25 degree Celsius. We service our air-conditioners every six months or as required to ensure that they are operating efficiently.

In supplying CNG skids, emissions are produced from diesel used for transport as well as the electricity from the grid used for operations at our office and production facility. In addition to our energy saving drive, to reduce emissions from diesel use, we have also optimised travelling routes this year. Parking for our vehicles has also been relocated to our customers’ places, helping to reduce the previous daily travel required from our office to customers’ places. Diesel figures reported include diesel consumed by the vehicle fleet and diesel consumed while vehicle is under maintenance. In FY2019, overall diesel oil consumption decreased due to lower maintenance rate of our vehicles as compared to FY2018.

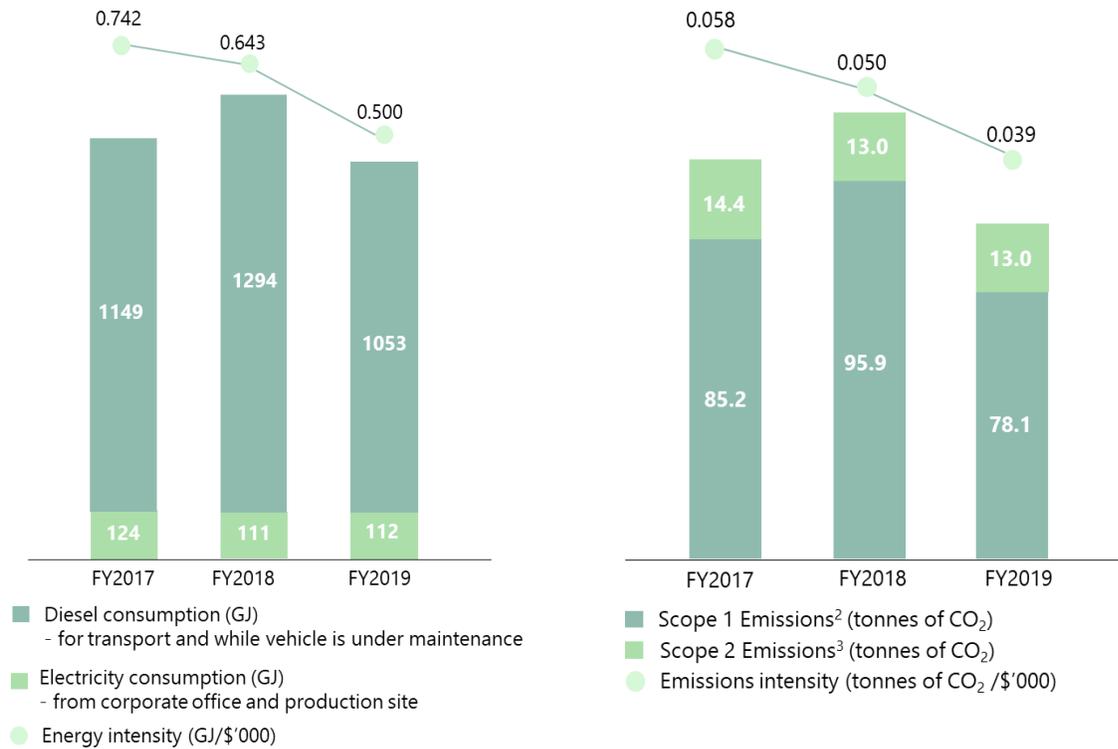


Figure 2. Energy consumption and emissions produced from FY2017 - FY2019¹

Perpetual Target	Performance in FY2019
Maintain current energy usage levels even with potential business expansion	Achieved

¹ Energy intensity is calculated by total energy (GJ) per \$'000 in terms of value of work performed in Singapore. Emissions intensity is calculated by total Scope 1 and 2 emissions per \$'000 in terms of value of work performed in Singapore.

² Emission factor taken from GHG Protocol, Emission Factors from Cross Sector Tools, March 2017.

³ Singapore's grid emission factor used, obtained from Singapore's Energy Statistics 2018.

EFFLUENTS AND WASTE MANAGEMENT

AMH believes we have to be accountable for the waste we generate. We are proud to report that all our waste, which consists of plastics and diesel oil, continues to be 100% disposed of by recycling. AMH does not produce any hazardous waste from our operations and there were no significant spills experienced in FY2019. Overall, we have also reduced the total amount of waste produced from FY2017 to FY2019 due to a decrease in the amount of diesel used for vehicle maintenance. As aforementioned, this was due to route optimisation for collection and delivery of CNG, resulting in lower mileage attained by our vehicles and hence reduced time for vehicle maintenance.

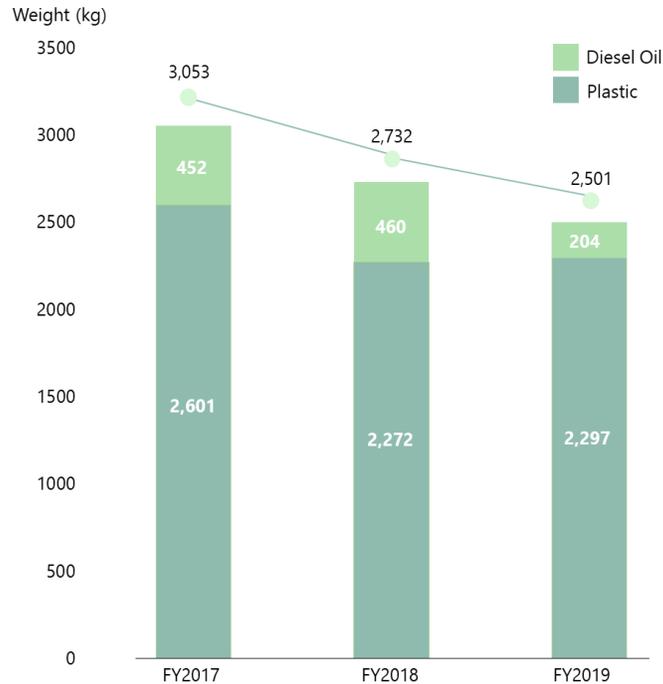


Figure 3. Amount of plastic and diesel oil disposed of, by recycling

Plastic waste is generated as a by-product of our plastic packaging production, and is subsequently sold to external vendors for recycling purposes. Diesel waste oil as a by-product of our operations is reused as a lubricant for vehicles, or passed on to our repair and maintenance workshop used and disposed of in a considered manner. We will continue to monitor our waste production closely and ensure our waste produced is recycled as far as possible.

OUR EMPLOYEES

PROFILE OF OUR WORKFORCE

AMH is supported by 14 permanent employees who work full-time, consisting of 9 male and 5 female employees (Figure 4). There is a decrease in our workforce strength from 16 in FY2018 to 14 employees in FY2019. Our employees can be broken down into 3 employee categories: Management, Office staff and Production staff.

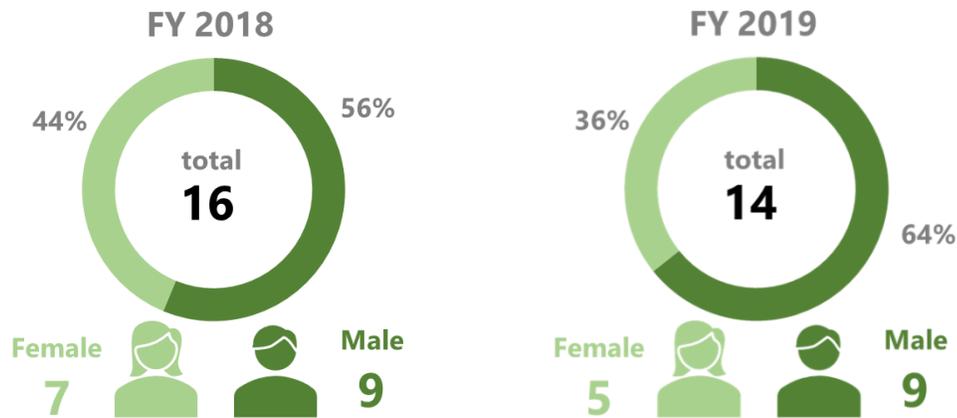


Figure 4. AMH employees, breakdown by gender from FY2018 – FY2019

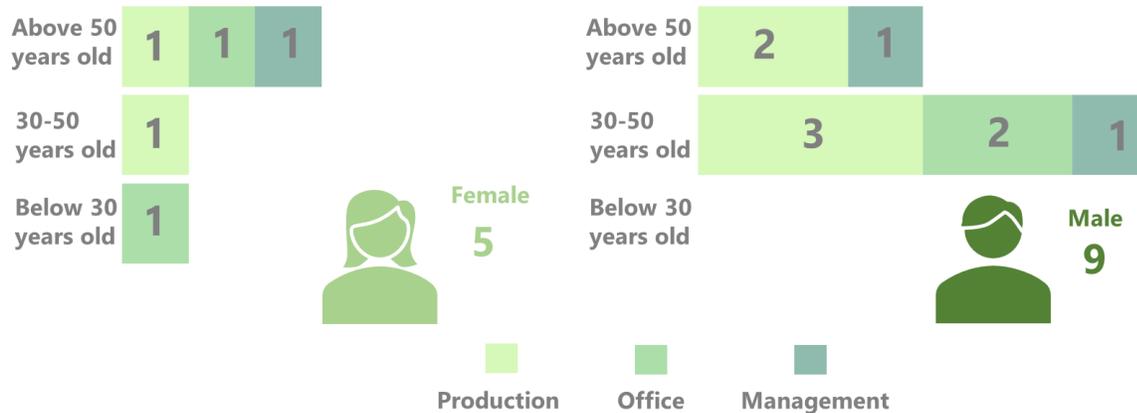


Figure 5. AMH employees, breakdown by age, gender and employee category in FY2019



OCCUPATIONAL HEALTH AND SAFETY

A business is only as good as its people. Hence, ensuring employee health and safety is extremely important to us. Our Health and Safety Policy guides our operations, with a systematic and continuous focus on hazard recognition and mitigation. To demonstrate the highest level of commitment, this Policy is signed off by our CEO. It recognises the crucial role both employers and employees must play in protecting the health and safety of our workforce.

AMH's main occupational safety risks occur during the transport and delivery of CNG. We carefully maintain CNG facilities at customers' sites. We have implemented safety operating procedures and use built-in safety features such as a safety hook for the connecting and disconnecting of CNG trailers. Regular spot checks are conducted by our Operations Director to ensure these safety procedures are always adhered to by workers. These safety procedures are reviewed annually to ensure they remain updated and relevant.

In FY2019, AMH took proactive steps to engage a third-party consultant to review these safety procedures. As a result of the assessment, a checklist for workers was developed to check all items for every trip. This has helped raise safety awareness among our workers and made it easier for all appropriate checks to be conducted. This is in addition to the monthly/bi-monthly site inspections conducted by our safety consultant. A report is issued after each visit on possible improvements

A technician also performs weekly checks for leakages in joints. In FY2019, we discovered a minor leakage in old parts from these checks. While this was not a material safety issue, AMH reported the issue to our customer and rectified the leakage through replacement of the parts.

In case of any unexpected fires, our production sites are equipped with fire safety equipment comprising a fire hose, hydrant and extinguisher. Employees are also required to wear safety shoes in production facilities at all times.

Our safety prevention measures begin from the start of hiring of drivers. AMH is careful to employ only experienced drivers with zero demerit points on their driving record, and assesses their attitude towards safety during the interview process. As our CNG delivery drivers work alone, they are required to report on their delivery status periodically, via a messaging system to account for their safety in any instance of an unfortunate event.

We recognise that driver speeding to complete more deliveries could be a major issue. To circumvent this, our salary package for drivers is based on a fixed monthly salary that is not dependent on the number of trips they make. There is also a 60km/h speed lock on our delivery vehicles, which are inspected at least once a year.

AMH is proud to report that we have achieved zero fatalities and incidents of injuries and occupational diseases in the past three years. We have also maintained a relatively low employee absentee rate⁴.

⁴ Absentee rate is calculated by: Total days of absence/Total scheduled working days, reported in percentage.

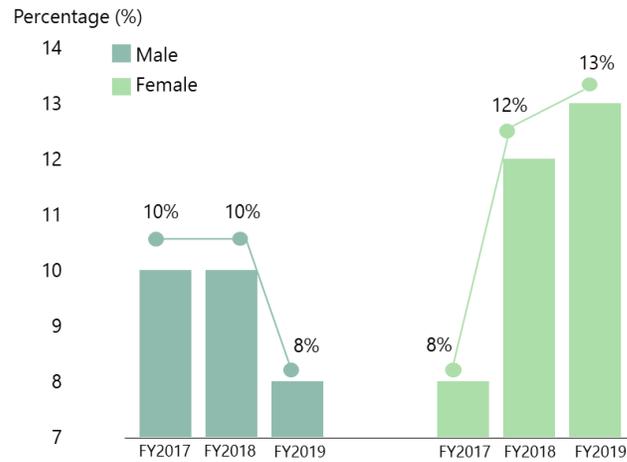


Figure 6. Absentee rate by gender from FY2017 - FY2019

AMH has been awarded bizSAFE level STAR safety, which is a demonstration of our excellence in delivering Workplace Safety and Health. We are committed to improve on our occupational health and safety initiatives and conduct regular reviews of our programmes, processes, risk assessments and controls. Looking ahead, AMH is working towards obtaining ISO 45001 certification in the next year.

Perpetual Target	Performance in FY2019
Zero incidents of fatalities and work injury incidents	Achieved



TALENT MANAGEMENT AND DEVELOPMENT

AMH provides opportunities for employees to increase their capabilities and perform to their fullest potential. Given our relatively small workforce strength, building our human capital is essential. We believe that looking after our employees' wellbeing contributes to higher levels of productivity and is an important aspect of retaining valuable talent. To this end, our staff handbook ensures our employees are aware of their work benefits and entitlements, and have in place a flexible working hours scheme for our office staff, giving them greater autonomy over their working schedules.

While AMH does not have a fixed employee training programme given the varied nature of our employees' job scopes, our training philosophy and policy guides our commitment to developing and nurturing our people.

To encourage skills upgrading, we send our employees for relevant external training workshops and certifications that are related to their job scope as well as provide them with in-house training conducted by our HR department. An in-house certificate may be issued to these employees who have completed the in-house training. In line with government regulations, our drivers also receive training and attend the Hazmat Transport Driver Permit (HTDP) course once every two years to remain qualified to transport hazardous materials. In FY2019, we sent one of our directors to pursue a graduate programme, recognising the importance of acquiring new skills and knowledge to achieve strategic growth for our company.

AMH is committed to the welfare and development of our employees and will continue to strive towards achieving greater employee satisfaction. We target to have all our employees attend at least one training programme a year.

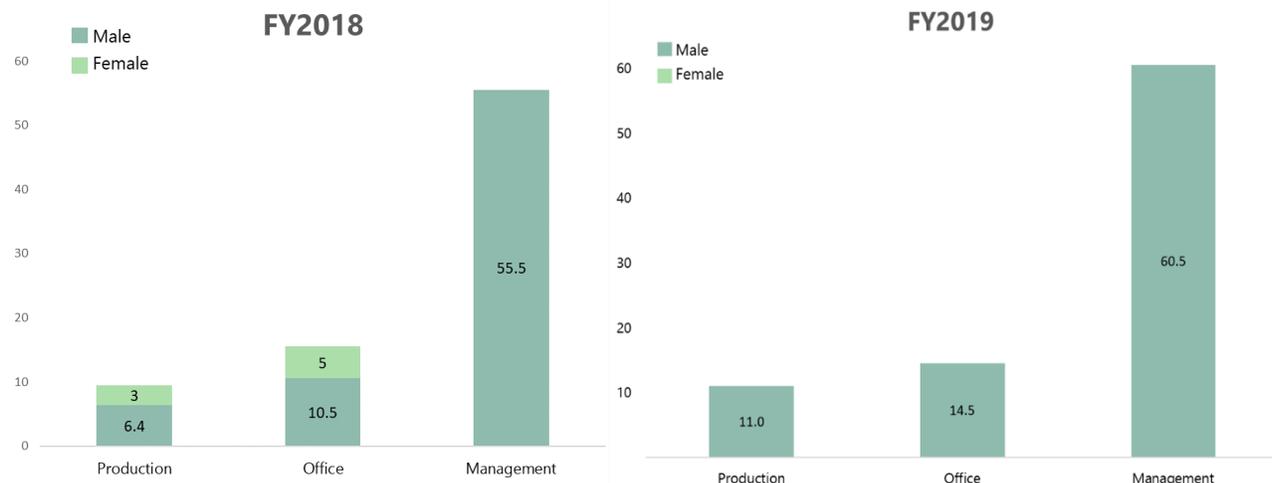


Figure 7. Average Training Hours received by our employees in FY2019



GRI CONTENT INDEX

GRI Standard Disclosure	Description	Section of Report	Page Ref.
GRI 102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation	About Asian Micro Holdings Limited	2
102-2	Activities, brands, products, and services	About Asian Micro Holdings Limited	2
102-3	Location of headquarters	About Asian Micro Holdings Limited	2
102-4	Location of operations	About Asian Micro Holdings Limited	2
102-5	Ownership and legal form	About Asian Micro Holdings Limited	2
102-6	Markets served	About Asian Micro Holdings Limited	2
102-7	Scale of the organisation	About Asian Micro Holdings Limited	2
102-8	Information on employees and other workers	Our Employees: Profile of our Workforce	11
102-9	Supply chain	About Asian Micro Holdings Limited	2
102-10	Significant changes to the organisation and its supply chain	Nil	
102-11	Precautionary Principle or approach	AMH does not specifically refer to the Precautionary Principle when managing risk. However, risk-based consideration is taken in all risk management practices.	
102-12	External initiatives	None	N.A.
102-13	Membership of associations	None	N.A.
Strategy			
102-14	Statement from senior decision-maker	Statement from Board	2
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	We are committed to maintain high standards of corporate governance.	N.A.
Governance			
102-18	Governance structure	Sustainability Approach	6
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	4
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	4
102-43	Approach to stakeholder engagement	Stakeholder Engagement	4
102-44	Key topics and concerns raised	Stakeholder Engagement	4
Reporting practice			
102-45	Entities included in the consolidated financial statements	Please refer to Annual Report	
102-46	Defining report content and topic Boundaries	Introduction: About the report	2
102-47	List of material topics	Materiality Assessment	5
102-48	Restatements of information	Nil	
102-49	Changes in reporting	Nil	
102-50	Reporting period	About the report	2
102-51	Date of most recent report	FY2018	
102-52	Reporting cycle	Annual	



102-53	Contact point for questions regarding the report	About the report	2
102-54	Claims of reporting in accordance with the GRI Standards	About the report	2
102-55	GRI content index	GRI Content Index	15-17
102-56	External assurance	About the report	2
Topic-specific GRI Standard Disclosures			
GRI 103: Management Approach 2016			
GRI 307: Environmental Compliance 2016			
GRI 419: Socioeconomic Compliance 2016			
103-1	Explanation of the material topic and its Boundary	Compliance with Laws and Regulations	7
103-2	The management approach and its components	Compliance with Laws and Regulations	7
103-3	Evaluation of the management approach	Compliance with Laws and Regulations	7
307-1	Non-compliance with environmental laws and regulations	Compliance with Laws and Regulations	7
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance with Laws and Regulations	7
GRI 103: Management Approach 2016			
GRI 302: Energy 2016			
103-1	Explanation of the material topic and its Boundary	Energy Usage and Associated GHG Emissions	8-9
103-2	The management approach and its components	Energy Usage and Associated GHG Emissions	8-9
103-3	Evaluation of the management approach	Energy Usage and Associated GHG Emissions	8-9
302-1	Energy consumption within the organisation	Energy Usage and Associated GHG Emissions	8-9
302-3	Energy intensity	Energy Usage and Associated GHG Emissions	8-9
GRI 103: Management Approach 2016			
GRI 305: Emissions 2016			
103-1	Explanation of the material topic and its Boundary	Energy Usage and Associated GHG Emissions	8-9
103-2	The management approach and its components	Energy Usage and Associated GHG Emissions	8-9
103-3	Evaluation of the management approach	Energy Usage and Associated GHG Emissions	8-9
305-2	Energy indirect (Scope 2) GHG emissions	Energy Usage and Associated GHG Emissions	8-9
305-4	GHG emissions intensity	Energy Usage and Associated GHG Emissions	8-9
GRI 103: Management Approach 2016			
GRI 306: Effluents and Waste 2016			
103-1	Explanation of the material topic and its Boundary	Effluents and Waste Management	8-9
103-2	The management approach and its components	Effluents and Waste Management	8-9
103-3	Evaluation of the management approach	Effluents and Waste Management	8-9
306-2	Waste by type and disposal method	Effluents and Waste Management	8-9



306-3	Significant spills	Effluents and Waste Management	8-9
GRI 103: Management Approach 2016			
GRI 403: Occupational Health and Safety 2016			
103-1	Explanation of the material topic and its Boundary	Occupational Health and Safety	12-13
103-2	The management approach and its components	Occupational Health and Safety	12-13
103-3	Evaluation of the management approach	Occupational Health and Safety	12-13
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety	12-13
GRI 103: Management Approach 2016			
GRI 404: Training and Education 2016			
103-1	Explanation of the material topic and its Boundary	Talent Management and Development	14
103-2	The management approach and its components	Talent Management and Development	14
103-3	Evaluation of the management approach	Talent Management and Development	14
404-1	Average hours of training per year per employee	Talent Management and Development	14