ASIAN MICRO HOLDINGS LIMITED
COMPANY REGISTRATION NO: 199701052K

RESPONSES TO SHAREHOLDER'S QUESTIONS ON ANNUAL REPORT FOR FINANCIAL YEAR ENDED 30 JUNE 2026 ("FY2026")

The Board of Directors (the "**Board**" or "**Directors**") of Asian Micro Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the questions received from a shareholder relating to the FY2026 Annual Report and the resolutions proposed at the forthcoming Annual General Meeting ("**AGM**"). The shareholder's questions and the Company's responses are set out below.

SECTION 1: OPERATIONAL CLARIFICATIONS ON RESOLUTION 1 (ADOPTION OF AUDITED FINANCIAL STATEMENTS)

1. Commercial Outlook of the CNG Business Segment

Shareholder's context: The Chairman's Statement notes that the Group will continue exploring opportunities in the Compressed Natural Gas ("**CNG**") segment. However, the notes to the financial statements indicate that the Company did not proceed with the ISO 45001 recertification following the conclusion of the contract with Rolls-Royce Singapore.

Shareholder's question: Given that safety credentials are an important prerequisite for high-pressure gas logistics and transport contracts, what is the current commercial viability of the CNG segment without an active ISO 45001 certification? How does management plan to secure new industrial gas contracts in the absence of this framework?

Company's response

Following the conclusion of the contract with Rolls-Royce Singapore Pte. Ltd. ("**Rolls-Royce**"), the Group reviewed the commercial viability of its CNG operations, including associated operating costs and certification requirements. The decision not to proceed with ISO 45001 recertification took into account the cessation of the relevant contract and current operational requirements. The Group continues to explore other business opportunities, taking into consideration their commercial viability, potential risks and returns, and the Group's available resources. Any new business activities will be undertaken in compliance with applicable regulatory and operational requirements.

2. Property Segment Portfolio and Organic Revenue Runway

Shareholder's context: The Annual Report highlights a positive adjustment to our Net Tangible Assets ("**NTA**") base to S$2.40 million following the divestment of 5 units of 3-storey commercial shop offices in Penang by our subsidiary, Leverage Income Sdn. Bhd., for MYR 20,500,000.

Shareholder's question: Following the complete sale of these 5 units, does the Group currently retain any other income-generating real estate assets on its balance sheet? If the current property portfolio has been fully divested, what is the segment's organic runway for generating recurring revenue in the upcoming financial year?

Company's response

The disposal of the five commercial shop office units was undertaken to realise the value of the Group's property assets and strengthen its financial position. The disposal was completed after FY2026, and its financial impact will be reflected in the Group's financial results for the relevant financial year. Following the disposal, the Group does not hold any other income-generating real estate assets. The Group will continue to evaluate suitable property-related opportunities, considering market conditions, risks, returns and financial resources. Such opportunities may involve property development or investment activities and may not necessarily generate steady recurring revenue.

3. Operating Cost Containment in the Manufacturing and Trading Segment

Shareholder's context: The report presents the Manufacturing and Trading segment as a core area of focus to bridge the gap left by the concluded CNG business. However, the audited segment notes reveal that the segment recorded an operating loss of $340,000 on revenue of $822,000 in FY2026, following an operating loss of $313,000 on revenue of $745,000 in FY2025.

Shareholder's question: Given that the segment's operating losses have widened alongside revenue growth over the past two years, what explicit cost-control measures or operational changes are being implemented to guide this division toward profitability? How will management prevent these ongoing segment losses from depleting the cash proceeds generated from our recent property sales?

Company's response

The Group maintains a lean operating structure, with ongoing efforts to optimise manpower deployment, streamline operational processes and closely manage discretionary expenditure, wherever practicable. Management will continue to explore suitable business opportunities, taking into consideration their commercial viability, potential risks and returns. Property disposal proceeds will be managed prudently in light of the Group's working capital requirements and overall financial position.

4. Looking Ahead

Shareholder's context: Chairman mentioned that management will enhance operational efficiency, exercise prudent cost control, and ensure long-term sustainability of its operations. The Income Statement showed in FY2026 the Administrative expenses was $1,695,664, exceeding the Gross Profit of $1,153,809; similarly the Administrative expenses was reported to be $1,747,887 on a Gross Profit of $1,685,168.

Shareholder's question: In the light that CNG segment and Property segment are unlikely to generate meaningful revenue and gross profit in the coming FY. The Revenue will be significantly reduced, and the Company is likely to report a Gross Loss on the remaining business. Can the Chairman outline the broad strategy the Board has to enhance operational efficiency, and prudent cost control? Is substantial reduction of Administrative expenses a top priority in cost control?

Company's response

The Board recognises the need to align the Group's cost structure with the current level of business activity. Maintaining prudent cost control remains a key management priority. The Group will continue to review manpower deployment, professional fees and discretionary expenditure, while maintaining the governance and compliance functions required of a listed company. At the same time, management is actively and proactively pursuing new business opportunities to strengthen the Group's revenue base and support its long-term sustainability, taking into consideration their commercial viability, potential risks and returns.

SECTION 2: OPERATIONAL QUESTIONS ON RESOLUTION 2 (RE-ELECTION OF DIRECTORS)

BLOCK A: MANAGEMENT TEAM

1. Working Capital Management and Revenue Contraction

Shareholder's context: The Group's financial disclosures show a 32% decline in revenues, falling from $6.56 million in FY2025 to $4.48 million in 2026, alongside a parent-level working capital deficit of S$409,847.

Shareholder's question: As the key executive officers managing the Group's financial position, what immediate operational steps are being taken to stabilize top-line revenue? Furthermore, how does management intend to address the S$409,847 working capital deficit at the parent company level over the next 12 months without relying solely on further asset liquidations?

Company's response

The revenue decline was mainly attributable to the termination of the Rolls-Royce contract. Management continues to focus on managing operating expenditure and exploring viable revenue opportunities. The Group manages its cash flow and liquidity on a centralised basis, taking into consideration the financial resources and funding requirements of the Group as a whole, including funds held within its subsidiaries. The Board regularly reviews the Group's cash flow position and available financial resources. The proceeds from the Penang property disposal have further strengthened the Group's overall financial position and liquidity, providing additional flexibility to meet its working capital requirements.

2. Key Management Personnel Cost Structures vs. Gross Profit Margins

Shareholder's context: Total Administrative Expenses reflect a high concentration of Key Management Personnel ("**KMP**") remuneration. In FY2026, the total compensation pool allocated to the top executive layer effectively exceeded the entire Gross Profit reported by the Group.

Shareholder's question: In light of the recent S$2.07 million revenue drop and tight gross margins, why has the executive remuneration structure remained rigid? Are the executive directors open to a voluntary reduction or restructuring of their fixed compensation packages to better align management costs with the current down-cycle earnings of the business?

Company's response

The Remuneration Committee ("**RC**") had reviewed the remuneration of the Executive Directors and was satisfied that it was in line with the Company's remuneration policies and commensurate with their respective duties, responsibilities, experience, contributions to the Group and prevailing market conditions. Given the Group's lean organisation structure, key personnel undertake multiple operational, financial, compliance and administrative responsibilities.

Over the years, the Executive Directors have also voluntarily undertaken remuneration adjustments where circumstances warranted, including salary freezes, reductions or waivers of remuneration, conversion of remuneration into shares and forfeiture of certain benefits.

The RC will continue to assess the appropriateness of remuneration framework to ensure that it remains aligned with the Group's business needs and objectives.

3. Labor Constraints, Productivity, and Factory Floor Atrophy

Shareholder's context: The human capital disclosures reveal that out of a small total headcount of 9 individuals, 5 are designated as Key Management Personnel, 1 is office staff, and only 3 are production workers. The report also notes that the remaining production staff are over 50 years of age and that employee absenteeism has risen to 5% for male staff and 8% for female staff.

Shareholder's question: With only three production workers handling the factory floor, how does management intend to maintain operational productivity and manage labor bottlenecks? What plans are in place for talent recruitment or operational automation to support the Manufacturing division?

Company's response

The Group maintains a lean manpower structure and allocates work according to operational requirements. Management continues to optimise existing resources without incurring unnecessary fixed costs. For its property business, the Group leverages its existing manpower and engages external professionals, contractors and consultants, where necessary, to support project execution without significantly increasing its fixed overheads. Should business volume require additional capacity, management will consider recruitment, outsourcing or process improvements, taking into account commercial viability and cost-effectiveness.

BLOCK B — REMUNERATION AND AUDIT COMMITTEES

1. Strategy for Restructuring the Executive Compensation Architecture

Shareholder's context: A review of the recent compensation component breakdowns shows that fixed basic salaries consistently comprise around 90% of the total packages for the core Key Management Personnel.

Shareholder's question: Does the Remuneration Committee agree that a compensation structure heavily weighted toward high fixed basic salaries is unsustainable during periods of revenue decline? What concrete plans does the Committee have to restructure these packages so that a greater proportion of executive pay is tied directly to performance milestones and group profitability?

Company's response

The RC had deliberated and considered Key Management Personnels' duties and responsibilities, performance, experience, prevailing market conditions and the Group's financial position.

The RC recognises the importance of maintaining an appropriate and sustainable remuneration structure that aligns executives' interests with the long-term interests of the Company and its shareholders, and will continue to review the balance between fixed and variable remuneration, taking into account the Group's performance, business objectives and market practices. Any adjustments to the remuneration framework will be carefully evaluated to ensure that it remains effective in attracting, retaining and motivating key personnel, while promoting the achievement of sustainable business performance and shareholder value.

2. Audit Oversight of Going Concern Risks and Capital Depletion

Shareholder's context: Note 3 (Going Concern Basis) of the FY2026 financial statements notes that the standalone parent company's current liabilities exceed its current assets by S$409,847. The Group's ability to operate as a going concern is heavily dependent on up-streaming cash from real estate liquidations held under a foreign subsidiary (Leverage Income Sdn. Bhd.).

Shareholder's question: As the incoming AC Chairman, what steps has the Audit Committee taken to evaluate the structural frictions or tax adjustments involved in up-streaming these funds from Malaysia to the parent holding company in Singapore? Is the Committee satisfied that these one-off asset sales provide an adequate long-term solution to protect the parent company from capital depletion?

Company's response

The Audit Committee and the Board are aware of the parent company's net current liability position. Liquidity and going concern assessments consider available financial resources, expected cash flows and operating requirements. The availability and timing of intercompany transfers are considered subject to applicable legal, regulatory and tax requirements. The Board recognises that disposal proceeds are non-recurring and that sustainable operating cash flows remain important.

SECTION 3: CLARIFICATIONS ON RESOLUTION 4 (APPROVAL OF DIRECTORS' FEES)

1. Rationalization of Non-Executive Fees Amid Financial Deficits

Shareholder's context: Resolution 4 seeks shareholder approval for $35,000 in discretionary fees for the Independent Non-Executive Directors for FY2026. This request is made at a time when the parent company faces a net current liability shortfalls of $409,846 and the Group's core revenues have compressed by 32%.

Shareholder's question: Given that the parent company cannot meet its short-term obligations from organic operational cash flows alone and requires aggressive cash conservation, did the Independent Directors consider leading by example by proposing a voluntary reduction or freeze of their fee pool for FY2026? How does the Board justify maintaining the full fee pool under these tight capital constraints?

Company's response

The proposed aggregate fees of S$35,000 reflect the responsibilities, time commitments and governance duties of the Independent Non-Executive Directors and Non-Independent and Non-Executive Director. In the context of a listed company, the aggregate fee pool is modest and has been set with due regard to the Group's circumstances.

The Board recognises the need for prudent cost management while maintaining effective independent oversight and regulatory compliance. The Company had previously reduced its aggregate directors' fees from S$44,500 in FY2019 to S$29,000 in FY2020, representing a reduction of approximately 35%.

The base fees payable to individual directors have remained unchanged in recent years. The increase in aggregate directors' fees in subsequent years was mainly attributable to the introduction of attendance fees in FY2024 and the appointment of additional Independent Non-Executive Directors, including the overlapping period of directors serving on the Board, rather than an increase in individual directors' base fees.

Directors' fees will continue to be reviewed periodically, taking into consideration the Group's financial position and the responsibilities of the Directors.

SECTION 4: CLARIFICATIONS ON RESOLUTION 7 (SHARE ISSUE MANDATE)

1. Strategic Roadmap to Justify Potential Share Capital Dilution

Shareholder's context: Resolution 7 seeks a general mandate authorizing the directors to allot and issue new shares in the capital of the Company. General share mandates are traditionally utilized to provide management with the flexibility to quickly fund high-yield expansions, secure strategic acquisitions, or form new joint ventures.

Shareholder's question: Given the current operational down-cycles—including the 32% contraction in revenue, the lapsed safety certifications in the CNG business, and the labor shortages in the manufacturing division—what concrete, revenue-generating pipeline or expansion roadmap does the Board possess to justify this mandate? Can the Board assure public shareholders that any future deployment of this mandate will be used strictly to raise cash for commercial growth rather than funding non-performing administrative overhead?

Company's response

Ordinary Resolution 8 in item 7 of the Notice of AGM dated 7 October 2026 seeks shareholders' approval for the renewal of the authority to issue shares ("**Share Issue Mandate**"). If approved, the Share Issue Mandate will provide the Directors with flexibility to issue shares and/or instruments convertible into shares, within the limits prescribed under the mandate and the Listing Manual – Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), without the need to convene a separate general meeting whenever such authority is required.

The Share Issue Mandate is a standard resolution commonly sought by listed companies at their annual general meetings. It enables the Company to respond efficiently to funding, corporate or business opportunities as they arise, while avoiding the additional time and costs associated with convening a separate shareholders' meeting.

The renewal of the Share Issue Mandate does not mean that the Company will necessarily undertake an equity fundraising or issue new shares. Should the need arise, the Board will carefully evaluate the purpose of the proposed issuance, prevailing market conditions, potential dilution impact and the interests of the Company and its shareholders. Any issuance of shares pursuant to the Share Issue Mandate will be carried out in compliance with the Companies Act 1967 of Singapore, the Catalist Rules and applicable disclosure requirements.

BY ORDER OF THE BOARD

Tan Wei Lee
Independent Non-Executive Chairman
16 October 2026

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