ASIAN MICRO
HOLDINGS LIMITED

ANNUAL REPORT 2016

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. Chew Kok Liang
Telephone number: +65 6381 6757

BOARD OF DIRECTORS

Executive

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

Ng Chee Wee
Executive Director and Group Financial Controller

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 SECRETARIES

Lynn Wan Tiew Leng
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

BANKER

United Overseas Bank Limited

SHARE REGISTRAR

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

CONTINUING SPONSOR

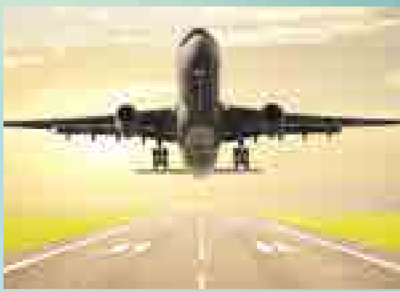
RHT Capital Pte. Ltd.
6 Battery Road
#10-01
Singapore 049909

AUDITOR

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

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.

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 also 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 2016.

OVERVIEW

The Group faced a challenging business environment in FY 2016 with weak global economies condition as well as the volatile currency movements.

The Group's consolidated revenue decreased $1.3 million from $6.0 million in FY 2015 to $4.7 million in FY 2016. The decrease in revenue was mainly due to cessation of tray washing business and lower revenue generated in the Natural Gas Vehicle ("NGV") business by the Thailand subsidiaries. Despite the decrease in revenue, the Group's gross profit margin remained unchanged.

The Group has recorded a net loss attributable to shareholders after taking into consideration of taxation and non-controlling interests amounted to

$0.2 million in FY 2016 compared to the net profit of $0.3 million in FY 2015.

The Group has net tangible assets of $2.1 million as at 30 June 2016 compared to net tangible assets of $1.7 million as at 30 June 2015.

LOOKING AHEAD

The Group's businesses are expected to remain challenging in FY 2017 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 the Group's existing businesses. While the market condition is expected to remain challenging in FY 2017 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 our regime of high standards of corporate governance. We pledge 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 25 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 FY 2016 and we are looking forward to your strong support to help us to achieve a better FY 2017 and beyond.

Last, but not least, I would like to thank all staff and management for their dedicated service and sacrifice in FY 2016 and hope that FY 2017 will yield better results.

Mr. Lim Kee Liew @ Victor Lim
Executive Chairman, CEO and
Group Managing Director
30 September 2016

Board Of Directors

1

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 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.

2

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. 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).

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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).

Board Of Directors

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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.

5

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. Since 2009, he has been a Director with the risk advisory practice of a leading global network of firms providing professional services.

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).

6

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 Director of RHT Strategic Advisory Pte Ltd and leads 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).

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 Assistant 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).

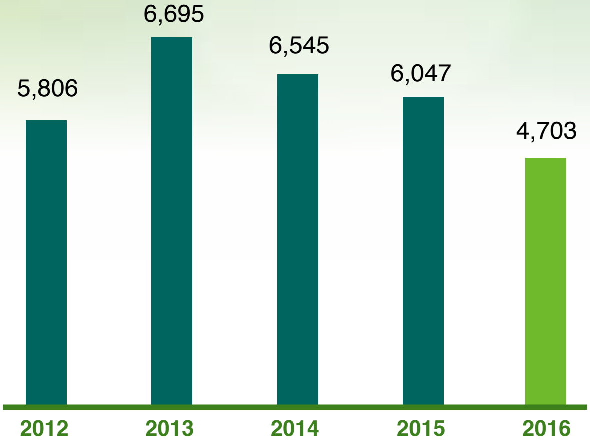
MR. KOH LYE SENG ERIC

Mr. Koh Lye Seng Eric is the Operation Manager of the Company and is responsible for the operation, development and expansion of CNG-related projects. In addition, he is 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' experience in operations management. He holds a Diploma in Visual Communication from Nanyang Academy of Fine Arts.

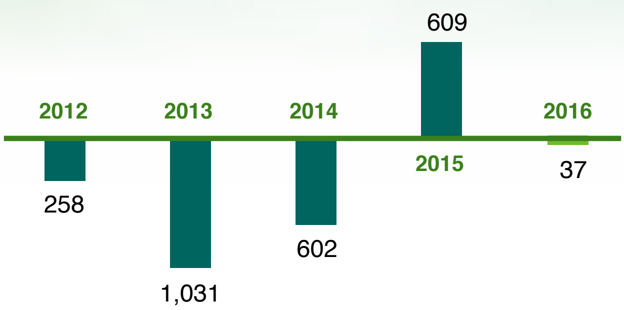
Financial Highlights

	2012	2013	2014	2015	**2016**
	$'000	$'000	$'000	$'000	**$'000**
RESULTS OF OPERATION					
Revenue	5,806	6,695	6,545	6,047	**4,703**
(Loss)/Profit before taxation and non-controlling interests ("NCI")	(306)	(1,242)	(411)	353	**(214)**
Taxation	(162)	(48)	(34)	(90)	**-**
(Loss)/Profit after taxation but before NCI	(468)	(1,290)	(445)	263	**(214)**
Attributable to :					
Owners of the Company	(258)	(1,031)	(602)	609	**(37)**
Non-controlling interests	(210)	(259)	157	(346)	**(177)**
FINANCIAL POSITION					
Non-current assets	1,210	955	470	530	**558**
Current assets	4,209	3,180	3,970	3,388	**3,092**
Current liabilities	(4,200)	(3,814)	(2,439)	(2,065)	**(1,458)**
Net current assets/(liabilities)	9	(634)	1,531	1,323	**1,634**
Non-current liabilities	(1,046)	(552)	(88)	(174)	**(127)**
REPRESENTING					
Equity attributable to owners of the Company	790	649	2,487	2,679	**3,133**
Non-controlling interests	(617)	(880)	(574)	(1,001)	**(1,068)**
EPS before Taxation ($cents)	(0.07)	(0.25)	(0.07)	0.06	**(0.03)**
EPS after Taxation & NCI ($cents)	(0.06)	(0.21)	(0.10)	0.10	**(0.01)**
NTA per Share ($cents)	0.04	(0.04)	0.30	0.27	**0.33**

REVENUE
($'000)

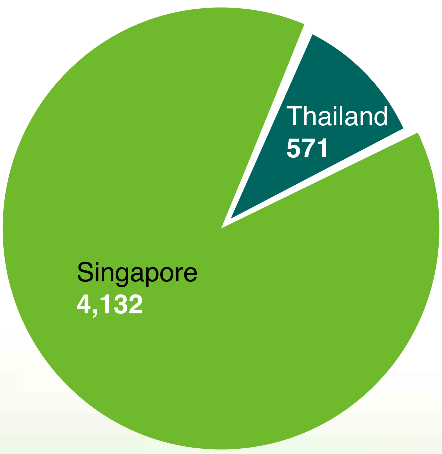


NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY
($'000)



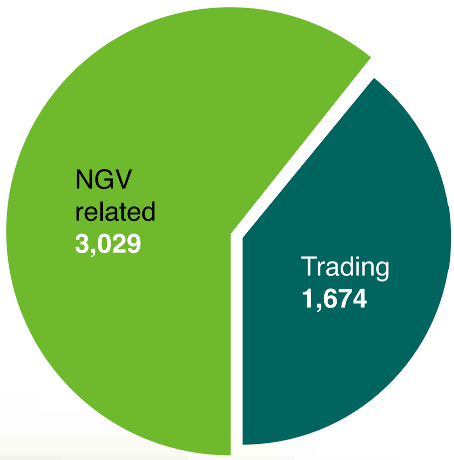
REVENUE BY REGION IN FY2016
($'000)

Singapore	4,132
Thailand	571
	4,703



REVENUE BY BUSINESS ACTIVITIES IN FY2016
($'000)

Trading	1,674
NGV related	3,029
	4,703



ACHIEVE
A BETTER BEYOND

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;

(d) to review the financial performance of the Group;

(e) to approve nominations of Directors and appointment to the various Board committees and key management personnel; and

(f) to assume responsibility for corporate governance.

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.

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 familiarize 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.

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 Group Financial Controller)

Independent Directors

Mr. Chue Wai Tat (Lead Independent Director)
Mr. Teo Kio Choon @ Chang Chiaw Choon
Mr. Cheah Wee Teong - Appointed on 1 December 2015

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 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 the substantial 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.

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.

Name of Director	Age	Directorship (a) Date first appointed (b) Date last re-elected	Due for re-election at next AGM
Mr. Lim Kee Liew @ Victor Lim	59	(a) 18/2/1997 (b) NA	–
Mr. Ng Chee Wee	43	(a) 6/5/2011 (b) 23/10/2015	–
Mr. Chue Wai Tat	69	(a) 6/7/2011 (b) 23/10/2015	–
Mr. Teo Kio Choon @ Chang Chiaw Choon	69	(a) 20/8/1999 (b) 24/10/2014	Retiring pursuant to Article 89 of the Company's Constitution
Mr. Cheah Wee Teong	47	(a) 1/12/2015 (b) –	Retiring pursuant to Article 88 of the Company's Constitution
Mr. Lee Teck Meng Stanley	41	(a) 24/8/2016 (b) –	Retiring pursuant to Article 88 of the Company's Constitution

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) scheduling meetings that enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;

(b) exercising control over quality, quantity and timeliness of the flow of information between Management and the Board;

(c) assisting to ensure compliance with the Company's guidelines on corporate governance;

(d) encourage effective communication with shareholders;

(e) facilitating the effective contribution of non-executive directors; and

(f) 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.

In line with corporate governance best practices, 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 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 Group Financial Controller 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 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; 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 Group Financial Controller 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 member of the Company with effect from 1 December 2015. Subsequently, he was appointed as the 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 recommendation of the Code.

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.

Mr. Cheah Wee Teong and Mr. Lee Teck Meng Stanley did not have any prior experience as a director of a listed company in Singapore.

Notwithstanding the above, Mr. Cheah had attended and participated in all Board meetings as well as other Board Committees' meetings to familiarise himself with the workings of the Board and Board Committees since his appointment. Mr. Lee had attended the Board and Board Committees' meetings held on 23 August 2016 by invitation, prior to his appointment to meet with other Directors and familiarise himself with the workings of the Board and Board Committees. Prior to their appointments, Mr. Cheah has attended SGX-SID Listed Company Director Program while Mr. Lee has attended SID course – Director Financial Reporting Essentials. The Company will make the necessary arrangements for them to attend additional appropriate training courses so as to familiarise them 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. Teo Kio Choon @ Chang Chiaw Choon, Mr. Cheah Wee Teong and Mr. Lee Teck Meng Stanley for re-election at the forthcoming AGM. Both Mr. Teo Kio Choon @ Chang Chiaw Choon and Mr. Cheah Wee Teong had abstained from making recommendations on their own nominations.

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 2016. 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.

Principle 5 Board Performance

The NC had assessed the effectiveness of the Board and Board Committees for FY2016. In evaluating the Board's and Board Committees' performance, the NC considers a 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 thing, 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 meeting held :	2	2	1	1
Name of Director :				
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 (1)	2/2	2/2	1/1	1/1
Cheah Wee Teong (2)	2/2	2/2	1/1	1/1
Lee Teck Meng Stanley (3)	–	–	–	–
Lin Xianglong Winchester (4)	1/1	–	–	–

Notes:

(1) Mr. Teo Kio Choon @ Chang Chiaw Choon stepped down as the NC and RC Chairman of the Company with effect from 24 August 2016.

(2) Mr. Cheah Wee Teong was appointed as a Director of the Company on 1 December 2015.

(3) Mr. Lee Teck Meng Stanley was appointed as a Non-Executive and Non-Independent Director of the Company on 24 August 2016. Subsequent to his appointment, he was appointed as a member of the AC, NC and RC. He has attended the meetings of the Board and Board Committees on 23 August 2016 by invitation.

(4) Mr. Lin Xianglong Winchester resigned as a Director of the Company on 3 August 2016.

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. 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 Secretaries to address any enquires at all times.

The Company Secretaries attend Board meetings and are responsible for ensuring that Board procedures are followed. The Company Secretaries ensure that the Company complies with the requirements of the Singapore Companies Act Cap. 50. Together with the management staff of the Company, the Company Secretaries are 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 Secretaries are subject to the Board's approval.

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 a RC member of the Company with effect from 1 December 2015. Subsequently, Mr. Cheah 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 executives 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 Employees' Share Option Scheme ("**ESOS**").

The terms of reference of the RC are in line with the recommendation 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 remuneration packages of the Executive Directors and key management 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 executives.

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 executives 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.

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, Independent 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 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 Employees' Share Option Scheme 2010 (the "**ESOS 2010**") are set out on pages 27 and 28 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 2016:

Remuneration band and name of directors	Fee	Salary	Benefits in Kind	Total
	%	%	%	%
Below $250,000				
Lim Kee Liew @ Victor Lim	–	92	8	100
Ng Chee Wee	–	95	5	100
Lin Xianglong Winchester (1)	–	99	1	100
Chue Wai Tat	100	–	–	100
Teo Kio Choon @ Chang Chiaw Choon	100	–	–	100
Cheah Wee Teong (2)	100	–	–	100
Lee Teck Meng Stanley (3)	–	–	–	–

Notes:

(1) Mr. Lin Xianglong Winchester resigned as an Executive Director of the Company with effect from 3 August 2016.
(2) Mr. Cheah Wee Teong was appointed as an Independent Director of the Company with effect from 1 December 2015.
(3) Mr. Lee Teck Meng Stanley was appointed as a Non-Executive and Non-Independent Director of the Company with effect from 24 August 2016.

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

Key executives	Salary	Benefits in kind	Total
	%	%	%
Below $250,000			
Leong Lai Heng	95	5	100
Phan Guo Yee	98	2	100
Koh Lye Seng Eric	100	–	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 executives, given the highly competitive environment the Group operates in, only the remuneration mix of the Directors and key executives 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 executives 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 executives, disclosure was only made in respect of the remuneration of these 3 key executives. The aggregate remuneration paid to these executives was $326,669 (2015: $268,334).

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 2016.

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.

Principle 11 Risk Management and Internal Controls
Principle 12 Audit Committee
Principle 13 Internal Audit

The Board recognizes 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 recognized 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 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. In addition, 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 Group Financial Controller that as at 30 June 2016:

(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 2016.

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 [1]	–	AC Member
Mr. Lee Teck Meng Stanley [2]	–	AC Member

Notes:

[1] *Mr. Cheah Wee Teong was appointed as the AC member of the Company with effect from 1 December 2015 in place of Mr. Lim Kee Liew @ Victor Lim who stepped down as the AC member of the Company.*

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

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.

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

The AC met twice (2) in FY2016. 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 minimize 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 external auditors of the Group's Singapore-incorporated subsidiaries are Messrs Ernst & Young LLP, while the foreign-incorporated subsidiaries are audited by other appropriate audit firms. Accordingly, the Group has complied Rule 712 and Rule 715 of Section B of the Singapore Exchange Securities Trading Limited Listing Manual: Rules of Catalist ("**Catalist Rules**").

The terms of reference of the AC are in line with the recommendation 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 has reviewed the audit and non-audit services provided by the external auditor, Ernst & Young LLP. The fees incurred during the reporting year are as follows:

	2016 $'000
Fees on audit services paid/payable to	
- Auditor of the Company	86
- Other auditors	11
Fees on non-audit services paid/payable to	
- Auditor of the Company	20
- Other auditors	–

The AC has conducted an annual review of all non-audit services by the external auditor to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor and has recommended to the Board the re-appointment of Messrs Ernst & Young LLP as the auditor of the Company. The AC has met with the external auditors annually, without the presence of the Company's management.

The AC reviewed the audit plans and audit reports for the FY2016 presented by the external auditor. 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.

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.

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. The Company's Constitution allows shareholders to appoint one or two proxies to attend and vote in their stead at the AGM.

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 are normally available at the AGM to answer questions relating to the work of these Board committees. The Company Secretaries record minutes of every AGM and the minutes will be made available to the shareholders upon their request.

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 declared for the financial year ended 30 June 2016 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.

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 ("**the 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 emphasizes 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 two (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.

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 [1]	66	–
Ultraline Holdings (Thailand) Co., Ltd	42	–

[1] The lease with ACI Technology (S) Pte Ltd is for a period not exceeding three (3) years and the terms of the tenancy Agreement is supported by an independent valuation report from Jones Lang LaSalle Property Consultants Pte Ltd. Accordingly, the transaction as contemplated under the Tenancy Agreement falls within the exemption under Rule 916 (1) of the Catalist Rules.

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 2016.

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 2016.

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 2016 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.

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	(appointed on 1 December 2015)
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 2015	At 30 June 2016	At 21 July 2016	At 1 July 2015	At 30 June 2016	At 21 July 2016
The Company						
Asian Micro Holdings Limited						
(Ordinary shares)						
Lim Kee Liew @ Victor Lim	147,724,769	147,824,769	147,824,769	154,029,855	155,729,855	155,729,855
Lin Xianglong Winchester [(1)]	21,537,483	21,537,483	21,537,483	–	–	–
Ng Chee Wee	8,027,586	8,027,586	8,027,586	–	–	–
Teo Kio Choon @ Chang Chiaw Choon	3,500,000	3,500,000	3,500,000	–	–	–

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

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 2016.

Share options

Asian Micro Employees' Share Option Scheme 2010

1. 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.

2. The remuneration committee administered the ESOS 2010 during the financial year.

3. During the financial year, no share options were granted under the ESOS 2010.

4. 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 2016 are as follows:

Grant date	Expiry date	Exercise price ($)	Number of options
July 2012	July 2022	0.022	2,000,000

5. 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	–
Lin Xianglong Winchester (1)	–	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					
Lim Kee Hing (2)	–	2,000,000	–	2,000,000	–
Leong Lai Heng	–	2,000,000	–	2,000,000	–

(1) Resigned as director of the Company on 3 August 2016.
(2) Deceased on 21 September 2016.

6. None of the other executive 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 2016.

   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.

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
30 September 2016

Independent Auditor's Report

For the financial year ended 30 June 2016

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

Report on the Financial Statements

We have audited the accompanying financial statements of Asian Micro Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") set out on pages 32 to 87, which comprise the balance sheets of the Group and the Company as at 30 June 2016, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
30 September 2016

Balance Sheets

As at 30 June 2016

	Note	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
Non-current assets					
Plant and equipment	3	398,869	530,453	253,974	363,810
Investments in subsidiaries	4	–	–	–	–
Other investments	5	–	–	–	–
Trade receivables	7	158,983	–	–	–
Current assets					
Inventories	6	108,528	486,804	–	–
Trade and other receivables	7	834,115	1,010,126	10,080	6,786
Prepayments		24,557	33,498	11,548	9,024
Other current assets	3	19,478	30,837	–	–
Fixed deposits	9	923,368	324,175	100,100	100,000
Cash and bank balances	9	1,181,535	1,502,168	209,659	280,085
		3,091,581	3,387,608	331,387	395,895
Total assets		3,649,433	3,918,061	585,361	759,705
Current liabilities					
Trade and other payables	10	806,436	963,938	57,520	57,507
Accrued expenses	11	361,223	793,263	79,682	198,692
Due to subsidiaries (non-trade), net	8	–	–	675,469	1,375,107
Due to related parties (non-trade), net	8	192,951	197,314	2,902	3,171
Obligations under finance leases	12	55,074	63,746	39,287	37,625
Income tax payable		41,887	46,871	–	–
		1,457,571	2,065,132	854,860	1,672,102
Net current assets/(liabilities)		1,634,010	1,322,476	(523,473)	(1,276,207)

As at 30 June 2016

	Note	Group		Company	
		2016	2015	2016	2015
		$	$	$	$
Non-current liabilities					
Obligations under finance leases	12	126,610	173,629	120,975	160,261
Deferred tax liabilities	21	585	585	585	585
		127,195	174,214	121,560	160,846
Total liabilities		1,584,766	2,239,346	976,420	1,832,948
Net assets/(liabilities)		2,064,667	1,678,715	(391,059)	(1,073,243)
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	733,367	243,076	–	–
Other reserve	14	96,189	96,189	96,189	96,189
Accumulated losses		(40,598,746)	(40,561,963)	(43,389,414)	(44,071,598)
		3,132,976	2,679,468	(391,059)	(1,073,243)
Non-controlling interests		(1,068,309)	(1,000,753)	–	–
Total equity/(deficit)		2,064,667	1,678,715	(391,059)	(1,073,243)
Total equity and liabilities		3,649,433	3,918,061	585,361	759,705

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 2016

	Note	2016 $	2015 $
Revenue	15	4,702,503	6,047,256
Cost of sales		(3,085,000)	(3,935,223)
Gross profit		1,617,503	2,112,033
Other items of income			
Financial income	16	7,209	674
Other income	17	868,129	1,468,424
Other items of expense			
Administrative expenses		(1,984,940)	(2,211,515)
Distribution and selling expenses		(49,398)	(507,678)
Financial expenses	16	(13,255)	(19,311)
Other expenses	18	(659,179)	(489,988)
(Loss)/profit before tax	19	(213,931)	352,639
Income tax expense	21	–	(90,179)
Net (loss)/profit for the year		(213,931)	262,460
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gains/(losses)		599,883	(496,910)
Other comprehensive income/(loss) for the year, net of tax		599,883	(496,910)
Total comprehensive income/(loss) for the year		385,952	(234,450)
Net (loss)/profit for the year attributable to:			
Owners of the Company		(36,783)	608,966
Non-controlling interests		(177,148)	(346,506)
		(213,931)	262,460
Total comprehensive income/(loss) attributable to:			
Owners of the Company		453,508	192,356
Non-controlling interests		(67,556)	(426,806)
		385,952	(234,450)
(Loss)/profit per share attributable to owners of the Company (cents per share)			
Basic	22	(0.01)	0.10
Diluted	22	(0.01)	0.10

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 2016

2016 Group	Total equity	Attributable to owners of the Company: Equity attributable to owners of the Company	Share capital	Accumulated losses	Other reserve	Foreign currency translation reserve	Share option reserve	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)
Other comprehensive income for the year, net of tax								
Foreign currency translation differences for foreign operations	599,883	490,291	–	–	–	490,291	–	109,592
Other comprehensive income for the year	599,883	490,291	–	–	–	490,291	–	109,592
Total comprehensive income/(loss) 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 2016

2015 Group	Total equity $	Equity attributable to owners of the Company $	Share capital $	Accumulated losses $	Other reserve $	Foreign currency translation reserve $	Share option reserve $	Non-controlling interests $
		Attributable to owners of the Company						
Opening balance at 1 July 2014	1,913,165	2,487,112	42,862,115	(41,170,929)	96,189	659,686	40,051	(573,947)
Net profit/(loss) for the year	262,460	608,966	–	608,966	–	–	–	(346,506)
Other comprehensive loss for the year, net of tax								
Foreign currency translation differences for foreign operations	(496,910)	(416,610)	–	–	–	(416,610)	–	(80,300)
Other comprehensive loss for the year	(496,910)	(416,610)	–	–	–	(416,610)	–	(80,300)
Total comprehensive (loss)/income for the year	(234,450)	192,356	–	608,966	–	(416,610)	–	(426,806)
Closing balance at 30 June 2015	1,678,715	2,679,468	42,862,115	(40,561,963)	96,189	243,076	40,051	(1,000,753)

For the year ended 30 June 2016

Company	Total (deficit)/ equity $	Share capital $	Accumulated losses $	Other reserve $	Share option reserve $
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
Balance as at 1 July 2014	(1,118,041)	42,862,115	(44,116,396)	96,189	40,051
Net profit for the year, representing total comprehensive income for the year	44,798	–	44,798	–	–
Balance as at 30 June 2015	(1,073,243)	42,862,115	(44,071,598)	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 2016

	Note	2016 $	2015 $
Cash flow from operating activities			
(Loss)/profit before tax		(213,931)	352,639
Adjustments:			
Allowance for doubtful debts (non-trade)	18	2,128	9,714
Allowance for doubtful debts (trade)	18	10,255	132,048
Allowance for inventories obsolescence	18	81,110	343,568
Depreciation of plant and equipment	19	192,919	126,985
Gain on disposal of plant and equipment	17	(23,503)	(213,773)
Impairment loss on plant and equipment		–	2,319
Interest expense	16	9,911	6,945
Interest income	16	(7,209)	(674)
Plant and equipment written off		951	514
Write-back of payables that have expired	17	(117,202)	–
Write-back of allowance for doubtful debts (non-trade)	17	–	(5,406)
Write-back of allowance for doubtful debts (trade)	17	(15,982)	–
Write-back of allowance for inventories obsolescence	17	(325,765)	(12,379)
Reversal of provision for compensation	17	(187,859)	–
Unrealised exchange loss/(gain)		579,795	(524,549)
Operating cash flows before changes in working capital		(14,382)	217,951
Decrease/(increase) in inventories		610,273	(326,341)
Decrease in trade and other receivables		16,094	601,678
Decrease in prepayments		8,662	34,832
(Decrease)/increase in amount due to related parties		(4,363)	497,799
Decrease in trade and other payables		(256,394)	(619,175)
Cash generated from operations		359,890	406,744
Interest paid		(9,911)	(6,945)
Interest income received		7,209	674
Income taxes paid		(4,984)	(43,308)
Net cash generated from operating activities		352,204	357,165
Cash flow from investing activities			
Proceeds from disposal of plant and equipment		23,503	374,331
Purchase of plant and equipment	3	(54,079)	(165,779)
Net cash (used in)/generated from investing activities		(30,576)	208,552

	Note	2016 $	2015 $
Cash flows from financing activities			
Repayment of finance leases obligations		(55,690)	(134,909)
Pledged fixed deposits withdrawn/(placement)	9	22,329	(100,410)
Release of restricted cash		–	579,336
Net cash (used in)/generated from financing activities		(33,361)	344,017
Net increase in cash and cash equivalents		288,267	909,734
Effect of exchange rate changes in cash and cash equivalents		13,513	7,794
Cash and cash equivalents at beginning of year		1,602,168	684,640
Cash and cash equivalents at end of year	9	1,903,948	1,602,168

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

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 in 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 $213,931 (2015: profit of $262,460) for the current financial year, and as at 30 June 2016, the Company is in a net current liabilities position of $523,473 (2015: $1,276,207). 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 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

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:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19 *Employee Benefits*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Apply the Consolidation Exception*	1 January 2016
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 16 and FRS 41: *Agriculture: Bearer Plants*	1 January 2016
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
Amendments to FRS 115: *Clarifications to FRS 115 Revenue from Contracts with Customers*	1 January 2018
FRS 116 *Leases*	1 January 2019
Amendments to FRS 110 & FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	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.

<u>FRS 115 *Revenue from Contracts with Customers*</u>

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. 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 principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

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.

The Group currently measures one of its investments in unquoted equity securities at cost. Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group applies FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 116 *Leases*

FRS116 requires lessees to recognise for most leases, a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately. 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 Standard 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.

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) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

The Group has tax losses and unutilised capital allowances carried forward of $7,633,016 and $345,226 (2015: $8,453,580 and $264,602) respectively. These losses relate to subsidiaries that have a history of losses, do not expire, except for an amount of $65,211 (2015: $71,448) and may not be used to offset taxable income elsewhere in the Group. The subsidiary has neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax assets.

If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by $1,356,301 (2015: $1,482,091).

(iii) 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 aging 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. Summary of significant accounting policies (cont'd)

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.

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.

Basis of consolidation prior to 1 January 2010

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.

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

2.5 *Basis of consolidation (cont'd)*

(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.

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.

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

2.7 *Foreign currency (cont'd)*

(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.

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:

	Years
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.

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.

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

2.11 *Financial instruments (cont'd)*

(a) **Financial assets (cont'd)**

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date, ie the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concern.

(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.

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

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

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.

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 and work-in-progress – 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.

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.

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.

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 leased terms.

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.

Deferred tax assets are recognised for all deductible temporary differences, 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.

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 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.

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

2.20 ***Taxes (cont'd)***

(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 29, 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.

2.23 ***Related parties***

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate of the other entity (or an associate of a member of a group of which the other entity is a member).

(iii) The entity is controlled or jointly controlled by a person identified in (a).

(iv) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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 2014	91,910	39,842	1,744,324	153,399	865,013	2,894,488
Additions	–	–	360,000	5,233	4,546	369,779
Disposals	(27,930)	(37,087)	(942,640)	(18,111)	(800,263)	(1,826,031)
Write-off	–	–	(24,987)	(3,720)	–	(28,707)
Translation difference	2,015	1,670	46,741	3,981	38,327	92,734
At 30 June 2015 and 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	65,124	4,363	1,194,131	140,093	103,563	1,507,274

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 2014	61,212	34,797	1,330,558	140,244	857,155	2,423,966
Charge for the year	21,073	1,513	96,748	5,167	2,484	126,985
Disposals	(27,930)	(35,220)	(785,148)	(18,111)	(799,064)	(1,665,473)
Impairment loss	–	150	1,432	737	–	2,319
Write-off	–	–	(24,985)	(3,208)	–	(28,193)
Translation difference	2,015	1,557	35,846	3,877	38,074	81,369
At 30 June 2015 and 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	60,998	3,665	798,304	128,914	97,046	1,088,927
Net book value						
At 30 June 2015						
- Current*	–	–	30,837	–	–	30,837
- Non-Current	9,625	1,628	498,150	12,076	8,974	530,453
At 30 June 2016						
- Current*	–	–	19,478	–	–	19,478
- Non-Current	4,126	698	376,349	11,179	6,517	398,869

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

3. Plant and equipment (cont'd)

Company	Office equipment and computers $	Motor vehicles $	Furniture and fittings $	Total $
Cost				
At 1 July 2014	699	37,835	43,036	81,570
Additions	–	360,000	–	360,000
Write-off	(699)	–	–	(699)
At 30 June 2015 and 1 July 2015	–	397,835	43,036	440,871
Additions	–	23,992	–	23,992
At 30 June 2016	–	421,827	43,036	464,863
Accumulated depreciation				
At 1 July 2014	699	18,919	12,338	31,956
Depreciation charge for the year	–	24,731	21,073	45,804
Write-off	(699)	–	–	(699)
At 30 June 2015 and 1 July 2015	–	43,650	33,411	77,061
Depreciation charge for the year	–	128,328	5,500	133,828
At 30 June 2016	–	171,978	38,911	210,889
Net book value				
At 30 June 2015	–	354,185	9,625	363,810
At 30 June 2016	–	249,849	4,125	253,974

During the financial year, the Group acquired plant and equipment with an aggregate cost of approximately $54,079 (2015: $165,779) by cash payment and $Nil (2015: $204,000) by means of finance leases.

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 2016 was approximately $254,500 (2015: $398,800) and $220,000 (2015: $340,000) respectively.

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

4. Investments in subsidiaries

	Company 2016 $	Company 2015 $
Unquoted equity investments, at cost	9,304,897	9,304,897
Less: Impairment loss	(9,304,897)	(9,304,897)
Carrying amount of investments	–	–

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 2016 %	Proportion (%) of ownership interest 2015 %	Cost of investment by the Company 2016 $	Cost of investment by the Company 2015 $
Held by the Company						
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
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	Currently under voluntary liquidation	80.1	80.1	105,263	105,263
SO NGV (S) Pte Ltd ("SO NGV (S)") (1)	Singapore	Currently inactive	74	74	74	74

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	
			2016	2015	2016	2015
Held by the Company			%	%	$	$
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 b)	Thailand	Trading of NGV supplies	49	49	40,770	40,770
					9,304,897	9,304,897

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by J.C. Accounting Office, Thailand
(3) Audited by a local audit firm in 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 cease to consolidate AMS and its subsidiaries.

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

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	Loss allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividend paid to NCI
30 June 2016:					
AM NGV Auto Sales (Thailand) Co., Ltd.	Thailand	51	(176,252)	(1,008,492)	Nil
30 June 2015:					
AM NGV Auto Sales (Thailand) Co., Ltd.	Thailand	51	(343,945)	(832,240)	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.

4. Investments in subsidiaries (cont'd)

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 Autosales (T)	
	2016	2015
	$	$
Current		
Assets	278,149	596,170
Liabilities	(4,874,489)	(4,943,088)
Net current liabilities	(4,596,340)	(4,346,918)
Non-current		
Assets	232,090	83,406
Liabilities	(41,573)	(13,367)
Net non-current assets	190,517	70,039
Net liabilities	(4,405,823)	(4,276,879)

Summarised statement of comprehensive income

	2016	2015
Revenue	570,344	1,829,484
Loss before income tax	(296,958)	(796,975)
Income tax expense	–	(420)
Loss after tax	(296,958)	(797,395)
Other comprehensive income/(loss)	168,016	(114,412)
Total comprehensive loss	(128,942)	(911,807)

Other summarised information

	2016	2015
Net cash flows used in operation	(6,523)	(160,866)
Acquisition of significant plant and equipment	–	(40,546)

5. Other Investments

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
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	
			2016	2015
			%	%
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 2016, 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	
	2016	2015
	$	$
Finished goods (at lower of cost and net realisable value)	108,528	486,804

During the financial year, the Group made an allowance of $81,110 (2015: $343,568) for inventory obsolescence which is recognised under other expenses in profit or loss.

During the financial year, the Group reversed $325,765 (2015: $12,379) being part of an inventory write-down made previously, as the inventories were sold to customers above their carrying amounts during the current financial year.

7. Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables (non-current):				
Trade receivables	158,983	–	–	–
Trade and other receivables (current):				
Trade receivables	790,187	926,454	–	–
Other debtors	35,220	73,052	5,982	1,788
Deposits	8,708	10,620	4,098	4,998
Total trade and other receivables (current)	834,115	1,010,126	10,080	6,786
	993,098	1,010,126	10,080	6,786
Add: Cash and bank balances and fixed deposits (Note 9)	2,104,903	1,826,343	309,759	380,085
Less: Goods and services tax ("GST") receivable	(6,851)	(21,925)	(5,982)	–
Less: Advance to supplier	–	(4,716)	–	–
Add: Reversal of advance to supplier	11,083	–	–	–
Total loans and receivables	3,102,233	2,809,828	313,857	386,871

Trade receivables

Non-current trade receivables are unsecured, non-interest bearing and are repayable over 48 months, in equal monthly instalments. They are recognised at the present value of the original invoice amounts. 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 $10,255 (2015: $132,048) and $2,128 (2015: $9,714), respectively.

As at 30 June 2016, trade receivables of the Group denominated in foreign currency are as follows:

	Group	
	2016	2015
	$	$
United States dollars	355,014	637,739

7. Trade and other receivables (cont'd)

As at 30 June 2016, other receivables and deposits of the Group denominated in the foreign currency are as follows:

	Group	
	2016	2015
	$	$
United States dollars	–	47

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	
	2016	2015
	$	$
Movement in trade receivables allowance accounts:		
At 1 July	223,107	88,949
Charge for the year	10,255	132,048
Write-off	(2,045)	–
Exchange differences	(7,554)	2,110
Write-back	(15,982)	–
At 30 June	207,781	223,107
Movement in other receivables allowance accounts		
At 1 July	152,041	147,815
Write-back	–	(5,406)
Charge for the year	2,128	9,714
Exchange differences	(393)	(82)
At 30 June	153,776	152,041

The above represents a provision for individually impaired trade and other receivables whose carrying values aggregate $207,781 (2015: $223,107) and $153,776 (2015: $152,041) 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.

7. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to $273,784 (2015: $204,870) 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	
	2016	2015
	$	$
Trade receivables past due:		
Less than 30 days	247,121	151,153
30 to 60 days	19,890	12,475
61 to 90 days	5,020	11,467
91 to 120 days	–	10,360
More than 120 days	1,753	19,415
	273,784	204,870

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

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

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

	Company	
	2016	2015
	$	$
Movement of allowance for doubtful receivables		
Balance at 1 July	23,330,806	23,059,153
Charge for the year	–	271,653
Write-back during the year	(649,964)	–
Balance at 30 June	22,680,842	23,330,806

9. Fixed deposits
Cash and bank balances

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

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Cash and bank balances	1,181,535	1,502,168	209,659	280,085
Fixed deposits	923,368	324,175	100,100	100,000
	2,104,903	1,826,343	309,759	380,085
Less: Fixed deposits pledged	(200,955)	(224,175)	–	–
Cash and cash equivalents	1,903,948	1,602,168	309,759	380,085

Cash at bank earns interest at rates based on daily bank deposit rates ranging from 0.0% to 0.1% (2015: 0.00% to 0.08%) 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% (2015: 0.10% to 0.15%) per annum for SGD fixed deposit, Nil% (2015: 1.10%) per annum for Thai Baht (THB) fixed deposit and 3.20% to 4.22% (2015: Nil%) 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 $200,955 (2015: $224,175) are pledged to the banks to obtain credit trade facilities. The credit trade facilities are also secured by:

(i) corporate guarantee of $440,000 (2015: $440,000) from the Company; and

(ii) joint and several guarantee of $440,000 (2015: $440,000) from the two major shareholders of the Company (one of whom is also a director of the Company).

As at 30 June 2016, there were no outstanding balances for the credit trade facilities (2015: $nil).

As at 30 June 2016, cash and bank balances of the Group denominated in foreign currency are as follows:

	Group	
	2016	2015
	$	$
United States dollars	521,423	794,512

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

10. Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade and other payables				
Trade payables	667,967	822,511	–	–
Other payables	138,469	141,427	57,520	57,507
Total trade and other payables	806,436	963,938	57,520	57,507
Add:				
Accrued expenses (Note 11)	361,223	793,263	79,682	198,692
Due to subsidiaries (non-trade), net (Note 8)	–	–	675,469	1,375,107
Due to related parties (non-trade) (current) (Note 8)	192,951	197,314	2,902	3,171
Obligation under finance leases (Note 12)				
- current	55,074	63,746	39,287	37,625
- non-current	126,610	173,629	120,975	160,261
Less: Accrued Central Provident Funds	(20,562)	(17,260)	(1,574)	(1,263)
Less: Advance from customer	(15,996)	(16,281)	–	–
Less: GST payable	–	–	–	(47,330)
Total financial liabilities carried at amortised cost	1,505,736	2,158,349	974,261	1,783,770

Trade payables

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

As at 30 June 2016, trade payables of the Group denominated in foreign currencies are as follows:

	Group	
	2016	2015
	$	$
Euro	3,498	11,172
United States dollars	189,840	218,173

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 2016, other payables of the Group denominated in foreign currency are as follows:

	Group	
	2016	2015
	$	$
United States dollars	31	32

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

11. Accrued expenses

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Accrued expenses	200,676	532,329	18,103	78,781
Accrued personnel expenses	160,547	260,934	61,579	119,911
	361,223	793,263	79,682	198,692

12. Obligations under finance leases

	Average effective interest rate % p.a.	Maturity	Group		Company	
			2016	2015	2016	2015
			$	$	$	$
Current:						
Obligations under finance leases (secured) (Note 24(b))	4.418%	2017	55,074	63,746	39,287	37,625
Non-current:						
Obligations under finance leases (secured) (Note 24(b))	3.219%	2018 - 2020	126,610	173,629	120,975	160,261

Obligations under finance leases of $160,262 (2015: $197,886) relates to the motor vehicles held by key management personnel.

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

13. Share capital

	Group and Company			
	2016		2015	
	Number of shares	$	Number of shares	$
Issued and fully paid ordinary shares:				
At 1 July	627,383,061	42,862,115	627,383,061	42,862,115
At 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 23) 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	
	2016	2015
	$	$
At 1 July	40,051	40,051
At 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.

15. Revenue

	Group	
	2016	2015
	$	$
Natural Gas Vehicle (“NGV”) related business	3,028,861	3,962,805
Trading goods	1,673,642	1,782,267
Tray washing and recycling services	–	302,184
	4,702,503	6,047,256

16. Financial (income)/expenses

	Group	
	2016	2015
	$	$
Financial income		
Interest income from fixed deposits, bank balances and others	(7,209)	(674)
Financial expenses		
Interest expense on:		
- finance leases	9,911	6,945
Bank charges	3,344	12,366
	13,255	19,311

17. Other income

Other income comprises the following:

	Group	
	2016	2015
	$	$
Foreign exchange gain, net	–	597,480
Gain on disposal of plant and equipment	23,503	213,773
Recovery of professional fees in relation to proposed Shares Exchange	–	386,656
Sales of scrap	3,214	37,027
Write-back of payables that have expired	117,202	–
Write-back of allowance for doubtful debts (non-trade)	–	5,406
Write-back of allowance for doubtful debts (trade)	15,982	–
Write-back of allowance for inventories obsolescence	325,765	12,379
Reversal of provision for compensation	187,859	–
Productivity and Innovation Credit Scheme grant	152,918	15,178
Others	41,686	200,525
	868,129	1,468,424

18. Other expenses

Other expenses comprise the following:

	Group 2016 $	Group 2015 $
Allowance for doubtful debts (non-trade)	2,128	9,714
Allowance for doubtful debts (trade)	10,255	132,048
Allowance for inventories obsolescence	81,110	343,568
Foreign exchange loss, net	563,904	–
Impairment loss on plant and equipment	–	2,319
Plant and equipment written off	951	514
Others	831	1,825
	659,179	489,988

19. (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Group 2016 $	Group 2015 $
Audit fees:		
- Auditor of the Company	85,500	82,999
- Other auditors	11,126	12,650
Non-audit fees:		
- Auditor of the Company	20,100	29,410
Inventories recognised as an expense in cost of sales	2,755,992	3,074,788
Depreciation of plant and equipment	192,919	126,985
Operating lease expense	110,510	166,021
Staff costs		
- Salaries and bonuses	1,118,010	1,281,154
- Central Provident Fund contributions	107,341	92,687
- Severance payment	1,073	192,773
- Training/course fee	107,798	74,576
- Other personnel expenses	30,955	31,249
Penalty expenses	–	243,620

Included in the above is compensation of key management personnel as disclosed in Note 25(b).

20. Directors' remuneration

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

	2016	2015
$250,000 to $500,000	–	–
Below $250,000	6	5
	6	5

21. Income tax expense

Major components of income tax expense

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

	Group	
	2016	2015
	$	$
Consolidated income statement:		
Current income tax:		
- Current income taxation	–	90,179

Relationship between tax expense and accounting (loss)/profit

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

	Group	
	2016	2015
	$	$
(Loss)/profit before tax	(213,931)	352,639
Tax at the applicable tax rate of 17%	(36,368)	59,949
Tax effect of expenses not deductible for tax purposes	242,667	190,333
Tax effect on income not subject to tax	(168,888)	(153,489)
Tax effect on deferred capital allowance	1,365	(22,931)
Utilisation of deferred tax assets previously not recognised	(60,618)	(60,583)
Deferred tax assets not recognised	5,202	67,663
Effects of different tax rates in other countries	16,640	9,237
Tax expense	–	90,179

21. Income tax expense (cont'd)

Deferred taxation at 30 June relate to the following:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Deferred tax liabilities				
- Differences in depreciation for tax purposes	585	585	585	585

The Group

As at 30 June 2016, the Group has unrecognised tax losses and unutilised capital allowances of approximately $7,633,016 (2015: $8,453,580) and $345,226 (2015: $264,602), 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). The tax losses have no expiry date except for an amount of $65,211 (2015: $71,448) which will expire after 5 years.

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

22. Earnings per share

Basic earnings per share is calculated by dividing the (loss)/profit 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)/profit 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 2016 and 2015.

	Group	
	2016	2015
	$	$
Net (loss)/profit attributable to owners of the parent used in the computation of basic and diluted (loss)/profit per share	(36,783)	608,966
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic (loss)/profit per share	627,383,061	627,383,061
Effects of dilution:		
- Share options	–	2,000,000
Weighted average number of ordinary shares for diluted (loss)/profit per share	627,383,061	629,383,061

As at 30 June 2016, 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.

23. 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 2015	Options exercised during the year	Balance at 30 June 2016
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.

	2016		2015	
	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 (2015: $0.022). The weighted average remaining contractual life for these options is 6 years (2015: 7 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.

24. Commitments and contingencies

(a) Operating lease commitments – as lessee

The Group leases certain properties under lease agreements. These leases have an average life of between 2 and 3 years with no renewal option or 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 $110,510 (2015: $166,021).

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

	Group	
	2016	2015
	$	$
Within one year	47,426	50,834

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 3.219% to 4.418% (2015: 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 2016	Present value of payments 2016	Minimum lease payments 2015	Present value of payments 2015
	$	$	$	$
Not later than one year	63,199	55,074	74,660	63,746
Later than one year but not later than five years	135,214	126,610	189,504	173,629
Total minimum lease payments	198,413	181,684	264,164	237,375
Less: Amounts representing finance charges	(16,729)	–	(26,789)	–
Present value of minimum lease payments	181,684	181,684	237,375	237,375

24. Commitments and contingencies (cont'd)

(b) Finance lease commitments (cont'd)

	Company			
	Minimum lease payments 2016 $	Present value of payments 2016 $	Minimum lease payments 2015 $	Present value of payments 2015 $
Not later than one year	45,457	39,287	45,456	37,625
Later than one year but not later than five years	128,768	120,975	174,224	160,261
Total minimum lease payments	174,225	160,262	219,680	197,886
Less: Amounts representing finance charges	(13,963)	–	(21,794)	–
Present value of minimum lease payments	160,262	160,262	197,886	197,886

(c) Continuing financial support

As at 30 June 2016, 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 their directors' report.

25. 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	
	2016 $	2015 $
Rental expense paid to related parties *	108,424	150,449

* The Group has entered into contracts with Asian Micro Industries (Thailand) Co., Ltd, 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 or premises on a time cost reimbursement basis.

25. Related party disclosures (cont'd)

(b) Compensation of key management personnel

	Group 2016 $	Group 2015 $
Short-term employee benefits	846,975	743,343
Central provident fund contributions	86,407	56,368
Total compensation paid to key management personnel	933,382	799,711
Comprise amounts for:		
- Directors of the Company	582,913	531,377
- Other key management personnel	350,469	268,334
	933,382	799,711

26. 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.

<u>Exposure to credit risk</u>

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 (2015: $440,000) relating to a corporate guarantee provided by the Company to a bank on subsidiaries' bank facility.

26. 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			
	2016		2015	
	$	% of total	$	% of total
By country:				
Singapore	676,594	68	869,748	94
Thailand	313,873	32	56,706	6
	990,467	100	926,454	100

At the balance sheet date, approximately 61% (2015: 79%) 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 (Trade and other receivables).

(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.

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

(b) Liquidity risk (cont'd)

Group 2016	1 year or less $	1 to 5 years $	Over 5 years $	Total $
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

Group 2015	1 year or less $	1 to 5 years $	Over 5 years $	Total $
Financial assets				
Trade and other receivables, excluding statutory tax recoverable and advance to supplier	983,485	–	–	983,485
Fixed deposits	324,175	–	–	324,175
Cash and bank balances	1,502,168	–	–	1,502,168
Total undiscounted financial assets	2,809,828	–	–	2,809,828
Financial liabilities				
Trade and other payables, excluding advance from customer	(947,657)	–	–	(947,657)
Accrued expenses, excluding accrued Central Provident Funds	(776,003)	–	–	(776,003)
Due to related parties (non-trade)	(197,314)	–	–	(197,314)
Obligations under finance leases	(74,660)	(189,504)	–	(264,164)
Total undiscounted financial liabilities	(1,995,634)	(189,504)	–	(2,185,138)
Total net undiscounted financial assets/ (financial liabilities)	814,194	(189,504)	–	624,690

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

(b) Liquidity risk (cont'd)

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)

Company 2015	1 year or less $	1 to 5 years $	Over 5 years $	Total $
Financial assets				
Trade and other receivables	6,786	–	–	6,786
Fixed deposits	100,000	–	–	100,000
Cash and bank balances	280,085	–	–	280,085
Total undiscounted financial assets	386,871	–	–	386,871
Financial liabilities				
Trade and other payables, excluding statutory tax payable	(10,177)	–	–	(10,177)
Accrued expenses, excluding accrued Central Provident Funds	(197,429)	–	–	(197,429)
Due to related parties (non-trade)	(3,171)	–	–	(3,171)
Due to subsidiaries (non-trade)	(1,375,107)	–	–	(1,375,107)
Obligations under finance leases	(45,456)	(174,224)	–	(219,680)
Total undiscounted financial liabilities	(1,631,340)	(174,224)	–	(1,805,564)
Total net undiscounted financial liabilities	(1,244,469)	(174,224)	–	(1,418,693)

26. 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 44% (2015: 45%) of the Group's sales are denominated in foreign currencies whilst 99% (2015: 97%) 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 $355,014 and $193,338 (2015: $637,739 and $229,345) 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.

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 (loss)/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) Loss before tax 2016 $
USD	
Strengthened by 1%	(6,866)
Weakened by 1%	6,866

	Group Increase/(decrease) Profit before tax 2015 $
USD	
Strengthened by 7%	84,983
Weakened by 7%	(84,983)

27. 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 categorised 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 from related parties (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	
	2016	2015	2016	2015
	$	$	$	$
Group				
Finance leases obligations repayable after 1 year but within 5 years	126,610	173,629	121,933	167,552
Company				
Finance leases obligations repayable after 1 year but within 5 years	120,975	160,261	115,876	153,480

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.

27. 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 of the other investments.

28. 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.

29. 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.

29. 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 $2,124,732 (2015: $1,985,504).

Revenue from one major customer in the trading segment amounted to $782,088 (2015: $962,993).

29. Segment information (cont'd)

Segments

The following table presents revenue and results information regarding the Group's reportable operating segments for the financial years ended 30 June 2016 and 2015 (in $'000).

	Tray recycling		Trading		Natural Gas Vehicle ("NGV") related business		Corporate and others		Elimination		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$	$	$	$	$
Segment revenue												
Sales to external customers	–	302	1,674	1,782	3,029	3,963	–	–	–	–	4,703	6,047
Inter-segment sales	–	–	–	–	–	–	1,050	596	(1,050)	(596)	–	–
Total revenue	–	302	1,674	1,782	3,029	3,963	1,050	596	(1,050)	(596)	4,703	6,047
Segment results	(80)	(156)	94	132	(151)	(497)	705	46	(776)	845	(208)	370
Financial expenses											(13)	(19)
Financial income											7	1
(Loss)/profit before taxation											(214)	352
Tax expense											–	(90)
(Loss)/profit for the year											(214)	262

29. 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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$	$	$	$	$
Segment results												
Allowance for inventories obsolescence	–	–	(7)	(3)	(74)	(419)	–	–	–	79	(81)	(343)
Write-back of allowance for inventories obsolescence	–	–	–	–	325	–	–	–	–	–	325	–
Gain/(loss) on disposal of plant and equipment	–	215	5	–	(6)	28	–	–	25	(29)	24	214
Foreign exchange gain/(loss)	(347)	360	5	(44)	(70)	206	100	106	(252)	(30)	(564)	598
Allowance for doubtful debt (trade)	–	(7)	–	–	(10)	(125)	–	–	–	–	(10)	(132)
Inventories recognised as an expense in cost of sales	–	(60)	(922)	(1,056)	(1,834)	(1,969)	–	–	–	10	(2,756)	(3,075)
Operating lease expenses	–	(41)	(32)	(32)	(44)	(54)	(35)	(39)	–	–	(111)	(166)
Staff costs	–	(325)	(287)	(253)	(518)	(513)	(560)	(581)	–	–	(1,365)	(1,672)

29. Segment information (cont'd)

Segments (cont'd)

	Tray washing and recycling		Trading		Natural Gas Vehicle ("NGV") related business		Corporate and others		Elimination		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$	$	$	$	$
Segment assets	470	656	6,170	5,434	3,122	3,162	4,000	2,557	(10,113)	(7,891)	3,649	3,918
Total assets											3,649	3,918
Segment liabilities	(9,113)	(9,558)	(6,736)	(6,092)	(14,322)	(14,470)	(4,543)	(3,803)	33,129	31,684	(1,585)	(2,239)
Total liabilities											(1,585)	(2,239)
Capital expenditure	–	–	30	2	–	8	24	360	–	–	54	370
Depreciation	10	36	30	18	19	31	134	46	–	(4)	193	127

29. Segment information (cont'd)

Segments (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 2016 and 2015 (in $'000).

	Singapore		Malaysia		Thailand		PRC		Philippines		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$	$	$	$	$
Sales to external customer	4,132	2,470	–	1	571	2,617	–	7	–	952	4,703	6,047
Assets	2,636	3,226	625	1	388	691	–	–	–	–	3,649	3,918

30. Events occurring after the reporting period

Subsequent to the reporting period, on 26 September 2016, the Company's wholly owned subsidiary, AM NGV (S) Pte Ltd was awarded the extension of its contract with Rolls-Royce Singapore Pte Ltd for the supply and transportation of Compressed Natural Gas ("CNG") and maintenance of Rolls-Royce CNG yard. The contract has been extended to 31 March 2018, with an option to further extend for another year to 31 March 2019.

31. Authorisation of financial statements for issue

The financial statements for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 30 September 2016.

Shareholders' Information

As at 15 September 2016

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

The Company does not have any treasury shares as at 15 September 2016.

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 - 99	2	0.05	3	0.00
100 - 1,000	1,058	28.92	1,057,119	0.16
1,001 - 10,000	1,419	38.78	7,830,100	1.25
10,001 - 1,000,000	1,130	30.88	110,333,746	17.59
1,000,001 and above	50	1.37	508,162,093	81.00
	3,659	100.00	627,383,061	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	LIM KEE LIEW @ VICTOR LIM	147,824,769	23.56
2.	LEONG LAI HENG	137,184,174	21.87
3.	LIN XIANGLONG WINCHESTER	21,537,483	3.43
4.	AVVENTURA HOLDINGS LIMITED	14,000,000	2.23
5.	YARECO (PRIVATE) LIMITED	13,650,000	2.18
6.	MAYBANK KIM ENG SECS PTE LTD	12,416,000	1.98
7.	ULTRALINE TECHNOLOGY (S) PTE LTD	11,699,105	1.87
8.	CHUA TEONG CHUNG	9,000,000	1.43
9.	YAP KHEE HENG	8,183,000	1.30
10.	PHILLIP SECURITIES PTE LTD	8,155,000	1.30
11.	NG CHEE WEE	8,027,586	1.28
12.	LEE ENG YEW	7,350,000	1.17
13.	LOW CHOR CHUAN	7,098,000	1.13
14.	WANG KAI YUEN	6,226,000	0.99
15.	DBS NOMINEES PTE LTD	6,185,000	0.99
16.	AMERICAN CONVERTERS INDUSTRIES PTE LTD	5,590,576	0.89
17.	NG SIEW LING	5,400,000	0.86
18.	PUAN CHU LIANG	5,000,000	0.80
19.	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,950,000	0.63
20.	LIM BOON SAN LIONEL (LIN WENSHAN LIONEL)	3,905,000	0.62
		442,381,693	**70.51**

45.97% 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.

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

NAME OF SHAREHOLDER		DIRECT INTEREST		DEEMED INTEREST	
LIM KEE LIEW @ VICTOR LIM	(a)	147,824,769	23.562%	155,729,855	24.822%
LEONG LAI HENG	(b)	137,184,174	21.866%	166,370,450	26.518%

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 148,320,769 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, Emerald Suite, 1 Orchid Club Road, Singapore 769162 on Friday, 21 October 2016 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 2016 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Articles 88 and 89 of the Constitution of the Company:

Mr. Cheah Wee Teong	*(Retiring under Article 88)*	**(Resolution 2)**
Mr. Lee Teck Meng Stanley	*(Retiring under Article 88)*	**(Resolution 3)**
Mr. Teo Kio Choon @ Chang Chiaw Choon	*(Retiring under Article 89)*	**(Resolution 4)**

Mr. Cheah will, upon re-election as a Director of the Company, remain as Chairman of Nominating Committee and Remuneration Committee and a member of the Audit Committee 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.

Mr. Lee will, upon re-election as a Director of the Company, remain as members of the Audit, Nominating and Remuneration Committees and will be considered non-independent for the purpose of Rule 704(7) of the Listing Manual – Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.

Mr. Teo will, upon re-election as a Director of the Company, remain as a member of the Audit Committee 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 $55,000 for the financial year ended 30 June 2016 (2015: $48,000). **(Resolution 5)**

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 6)**

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

(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) 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) 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) shall be based on the total number of issued shares (excluding treasury shares) 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 7)**

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) 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 8)**

By Order of the Board

Lynn Wan Tiew Leng
Toh Li Ping, Angela
Company Secretaries
Singapore, 5 October 2016

Explanatory Notes:

(i) The Ordinary Resolution 7 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) 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 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 8 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) in the capital of the Company from time to time.

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.

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			

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, Emerald Suite, 1 Orchid Club Road, Singapore 769162 on Friday, 21 October 2016 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 2016 together with Auditors' Report thereon		
2	Re-election of Mr. Cheah Wee Teong as a Director		
3	Re-election of Mr. Lee Teck Meng Stanley as a Director		
4	Re-election of Mr. Teo Kio Choon @ Chang Chiaw Choon as a Director		
5	Approval of Directors' fees amounting to S$55,000		
6	Re-appointment of Messrs Ernst & Young LLP as Auditors		
7	Authority to issue new shares		
8	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 ________________ 2016

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 5 October 2016.

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