



**ASIAN MICRO  
HOLDINGS LIMITED**



**2018  
ANNUAL REPORT**

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

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this annual report including the correctness of any of the figures used, statements or opinions made.

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

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



# Corporate Information



## **BOARD OF DIRECTORS EXECUTIVE**

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

Ng Chee Wee  
Executive Director and Chief Financial Officer

## **NON-EXECUTIVE**

Chue Wai Tat  
Lead Independent Director

Teo Kio Choon @ Chang Chiaw Choon  
Independent Director

Cheah Wee Teong  
Independent Director

Lee Teck Meng Stanley  
Independent Director

## **AUDIT COMMITTEE**

Chue Wai Tat  
Chairman

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

## **NOMINATING COMMITTEE**

Cheah Wee Teong  
Chairman

Chue Wai Tat  
Lee Teck Meng Stanley

## **REMUNERATION COMMITTEE**

Cheah Wee Teong  
Chairman

Chue Wai Tat  
Lee Teck Meng Stanley

## **COMPANY SECRETARY**

Toh Li Ping, Angela

## **REGISTERED OFFICE**

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

## **BANKERS**

United Overseas Bank Limited  
DBS Bank Ltd  
Malayan Banking Berhad  
Public Bank Berhad  
Hong Leong Bank Berhad

## **SHARE REGISTRAR**

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

## **CONTINUING SPONSOR**

RHT Capital Pte. Ltd.  
9 Raffles Place  
#29-01 Republic Plaza Tower 1  
Singapore 048619

## **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)



# Corporate **Profile**

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



# Corporate Profile



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

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

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





# Chairman's **Message**



“ On behalf of the Board of Directors, I am presenting the Annual Report and the Audited Financial Statements of Asian Micro Holdings Limited and its subsidiaries for the financial year ended 30 June 2018 (“FY2018”). ”



## OVERVIEW

The Group faced a challenging business environment in FY2018 with weak global economic condition as well as volatile currency movements.

During the year, the Company had entered into an assignment agreement relating to the acquisition of four commercial units at Gurney Tower, Penang, Malaysia. The Company had issued an aggregate of 9,817,035 new shares by way of assignment shares as settlement of prepayments and fixed fee pursuant to the terms of the assignment agreement. The Company had also entered into a debt capitalisation agreement with the Company's subsidiaries and the participating creditors for the capitalisation and conversion of certain debts. In this respect, the Company had issued an aggregate of 45,233,700 new shares by way of settlement shares pursuant to the terms of the debt capitalisation agreement. The Company further awarded bonus to certain employees through the issuance of an aggregate of 5,875,000 new shares by way of employee bonus shares.

The Group's consolidated revenue from continuing operations increased slightly by \$0.44 million from \$4.15 million for the financial year ended 30 June 2017 ("FY2017") to \$4.59 million in FY2018 while the Group's gross profit margin decreased due to lower gross profit margin contributed from the NGV business.

The Group has recorded a net loss from continuing operations of \$0.65 million in FY2018 compared to the net profit from continuing operations of \$0.19 million in FY2017.

The Group has net tangible assets of \$1.71 million as at 30 June 2018 compared to net tangible assets of \$1.96 million as at 30 June 2017.

## LOOKING AHEAD

The Group's businesses are expected to remain challenging for the financial year ending 30 June 2019 ("FY2019") mainly due to pricing pressure from customers and rising operational costs. However, the Group remains focused in enhancing its operational efficiency and monitoring its operating expenses in the face of economic uncertainties, to enhance

the profitability of its existing businesses. While the market condition is expected to remain challenging in FY2019 and likely to impact the Group's existing business performance, management will continue to focus on restructuring and consolidating its existing businesses, without incurring major capital expenditure.

## CORPORATE GOVERNANCE

The Group remains committed to maintain its regime of high standards of corporate governance. It pledges to provide timely and accurate information through announcements and investor relations activities for the benefits of all stakeholders. Please refer to the Report on Corporate Governance set out on pages 13 to 27 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 2018 and we are looking forward to your strong support to help us to achieve a better 2019 and beyond.

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

### **Mr. Lim Kee Liew @ Victor Lim**

Executive Chairman, CEO and  
Group Managing Director  
28 September 2018



# Board Of **Directors**







# 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 is currently pursuing a part-time degree course of Master of Science (Real Estate) from National University of Singapore (NUS). He has obtained several patents in the field of electronic energy saving ballasts and fluorescent lamps and has more than 30 years’ experience in the electronic and hard disk drive industries and in real estate investment.

## 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 and re-designated as Chief Financial Officer (“CFO”) in February 2017. He oversees the Group’s finance, accounting, treasury, legal, tax and corporate secretarial functions.

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

## 3 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

## 4 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.

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 re-designated as an Independent Director in August 2018. He is a member of the Audit, Nominating and Remuneration Committees. Mr. Lee is currently a Deputy Director in the Development Office of Nanyang Technological University (NTU). Prior to joining NTU, he was a Director of RHT Strategic Advisory Pte Ltd and led the firm in the areas of M&A, deal and funding advisory. He was formerly the co-founder and Executive Director for a leading air-cargo supply chain services company and a trading representative with Maybank Kim Eng Securities and possesses more than 10 years of business management experience, in the areas of finance, operations, business development and strategic planning.

He holds a 1st Class Honours degree in Business Administration from the Plymouth University, UK and is aptly certified in the areas of securities dealing and analysis, corporate finance and financial advisory.



# Key Management



## Mdm. Leong Lai Heng

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



## Mr. Phan Guo Yee

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



## Mr. Koh Lye Seng Eric

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

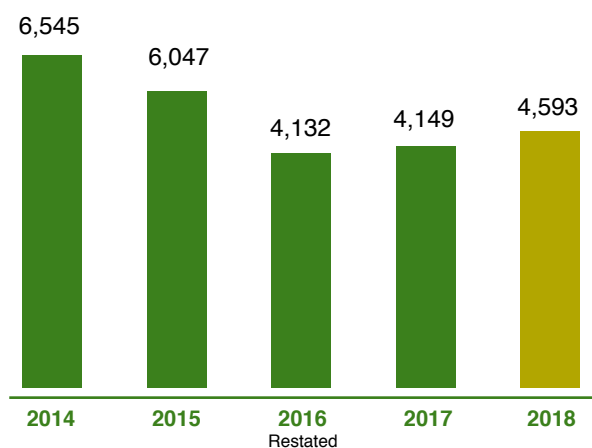


# Financial Highlights

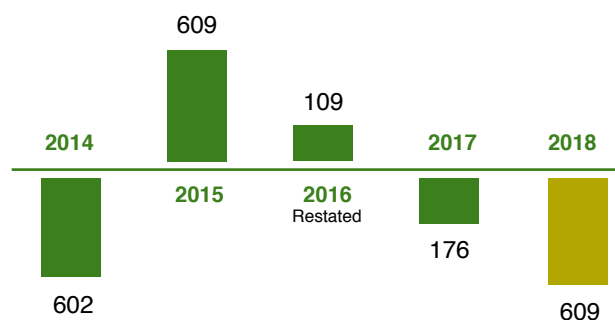
	2014	2015	2016 Restated	2017	2018
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>RESULTS OF OPERATION</b>					
Revenue	6,545	6,047	4,132	4,149	<b>4,593</b>
(Loss)/Profit from continuing operations before taxation and non-controlling interests ("NCI")	(411)	353	83	193	<b>(641)</b>
Taxation	(34)	(90)	–	(2)	<b>(4)</b>
Net (Loss)/Profit from continuing operations after taxation but before NCI	(445)	263	83	191	<b>(645)</b>
Attributable to :					
Owners of the Company	(602)	609	109	(176)	<b>(609)</b>
Non-controlling interests	157	(346)	(26)	367	<b>(36)</b>
<b>FINANCIAL POSITION</b>					
Non-current assets	470	530	558	1,800	<b>734</b>
Current assets	3,970	3,388	3,092	2,208	<b>3,186</b>
Current liabilities	(2,439)	(2,065)	(1,458)	(1,965)	<b>(2,169)</b>
Net current assets	1,531	1,323	1,634	243	<b>1,017</b>
Non-current liabilities	(88)	(174)	(127)	(81)	<b>(38)</b>
<b>REPRESENTING</b>					
Equity attributable to owners of the Company	2,487	2,679	3,133	1,803	<b>1,595</b>
Non-controlling interests	(574)	(1,001)	(1,068)	159	<b>119</b>
EPS/LPS after Taxation & NCI (\$cents)	(0.10)	0.10	(0.01)	(0.09)	<b>(0.10)</b>
NTA per Share (\$cents)	0.30	0.27	0.33	0.31	<b>0.25</b>



**REVENUE**  
(\$'000)



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

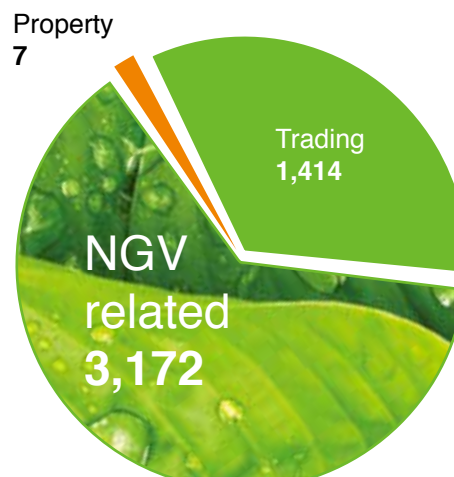
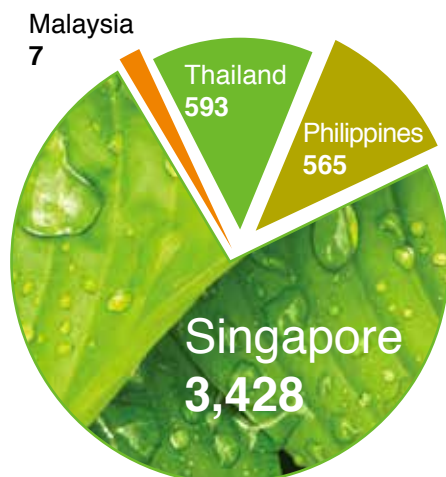


**REVENUE BY REGION IN FY2018**  
(\$'000)

Singapore	3,428
Philippines	565
Thailand	593
Malaysia	7
<b>Total</b>	<b>4,593</b>

**REVENUE BY BUSINESS ACTIVITIES IN FY2018**  
(\$'000)

Trading	1,414
NGV related	3,172
Property	7
<b>Total</b>	<b>4,593</b>



# Achieve A Better Beyond





# Report on Corporate Governance

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

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

## BOARD MATTERS

### *Principle 1 Board’s Conduct of its Affairs*

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

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

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

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

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

The types of material transactions that require board approval are:

- (a) Approval of financial statements’ announcements;
- (b) Approval of interested parties’ transactions;
- (c) Convening of shareholders’ meetings;
- (d) Declaration of interim dividends and proposal of final dividends;
- (e) Approval of corporate strategy;



## Report on Corporate Governance

- (f) Authorisation of merger and acquisition transactions; and
- (g) 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 familiarise themselves with the operations of the Company and its major business processes. The Company will also make the necessary arrangements for any director to attend additional appropriate training courses so as to familiarise themselves with the roles and responsibilities as a director of a listed company in Singapore, if required.

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

### **Principle 2 Board Composition and Guidance**

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

#### **Executive Directors**

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

#### **Independent Directors**

Mr. Chue Wai Tat (Lead Independent Director)  
Mr. Teo Kio Choon @ Chang Chiaw Choon <sup>1</sup>  
Mr. Cheah Wee Teong  
Mr. Lee Teck Meng Stanley <sup>2</sup>

#### **Notes:**

<sup>1</sup> Mr. Teo Kio Choon @ Chang Chiaw Choon is retiring pursuant to Article 89 of the Company's Constitution and will not be seeking re-election and shall retire as an Independent Director of the Company at the conclusion of the forthcoming Annual General Meeting ("AGM"). Accordingly, he will be stepping down as a member of the AC.

<sup>2</sup> Mr. Lee Teck Meng Stanley was re-designated as an Independent Director of the Company with effect from 21 August 2018.

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, all of whom are independent. Accordingly, pursuant to Guideline 2.2 of the Code, the Independent Directors made up at least half of the Board.

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





## Report on Corporate Governance

Hence, the Board is of the view that Mr. Teo Kio Choon @ Chang Chiaw Choon is considered independent despite having been on the Board for more than 9 years as there are no circumstances which might affect his judgment. However, taking into account the need for progressive refreshing of the Board, Mr. Teo Kio Choon @ Chang Chiaw Choon has indicated that he will not be seeking re-election and will be retiring at the conclusion of the forthcoming AGM. Save for the above, none of the Independent Directors have served on the Board for a period exceeding 9 years from the date of his first appointment.

Following the retirement of Mr. Teo Kio Choon @ Chang Chiaw Choon as an Independent Director of the Company at the conclusion of the forthcoming AGM, the Board will comprise of three Non-Executive Directors, all of whom are Independent, which will make up at least half of the Board. 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.

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

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

Name of Directors	Age	Directorship		Due for re-election at next AGM
		(a) Date first appointed	(b) Date last re-elected	
Mr. Lim Kee Liew @ Victor Lim	61	(a) 18/2/1997 (b) NA		–
Mr. Ng Chee Wee	45	(a) 6/5/2011 (b) 20/10/2017		–
Mr. Chue Wai Tat	71	(a) 6/7/2011 (b) 20/10/2017		–
Mr. Teo Kio Choon @ Chang Chiaw Choon	71	(a) 20/8/1999 (b) 21/10/2016		Retiring pursuant to Article 89 of the Company's Constitution
Mr. Cheah Wee Teong	49	(a) 1/12/2015 (b) 21/10/2016		Retiring pursuant to Article 89 of the Company's Constitution
Mr. Lee Teck Meng Stanley	43	(a) 24/8/2016 (b) 21/10/2016		–

### **Principle 3 Chairman and Chief Executive Officer**

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

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

- (a) leading the Board to ensure its effectiveness on all aspects of its role and promoting a culture of openness and debate at the Board;
- (b) setting agenda and scheduling meetings with adequate time that enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;



## Report on Corporate Governance

- (c) exercising control over quality, quantity and timeliness of the flow of information between Management and the Board;
- (d) assisting to ensure compliance with the Company's guidelines on corporate governance;
- (e) encouraging effective communication with shareholders;
- (f) facilitating the effective contribution of Independent Directors; and
- (g) encouraging constructive relations within the Board and between the Board and management.

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

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

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

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

### **Principle 4 Board Membership**

The NC comprises three Directors, all of whom, including the Chairman, are Independent Directors. The members are:

Mr. Cheah Wee Teong	–	NC Chairman
Mr. Chue Wai Tat	–	NC Member
Mr. Lee Teck Meng Stanley <sup>1</sup>	–	NC Member

Note:

<sup>1</sup> Mr. Lee Teck Meng Stanley was re-designated as an Independent Director of the Company with effect from 21 August 2018.

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 (including independent 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;



## Report on Corporate Governance

- (d) to assess the effectiveness of the Board as a whole, and the contribution by each Director to the effectiveness of the Board;
- (e) to decide how the performance of the Board may be evaluated and to propose objective performance criteria;
- (f) to report to the Board its findings from time to time on matters arising and requiring the attention of the NC; and
- (g) to undertake such other reviews, projects, functions, duties and responsibilities as may be requested by the Board.

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

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.

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

Mr. Teo Kio Choon @ Chang Chiaw Choon who is retiring pursuant to Article 89 of the Company's Constitution, will not be seeking re-election and shall retire as an Independent Director of the Company at the forthcoming AGM. Accordingly, he will be stepping down as a member of the AC.

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 of 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). He 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. Since Mr. Lee Teck Meng Stanley's appointment as a Non-Executive and Non-Independent Director of the Company on 24 August 2016, the NC had continuously assessed his contributions, circumstances in the



## Report on Corporate Governance

determination of his independence during the workings of the Board Committees and the Board. In view of Mr. Teo Kio Choon @ Chang Chiaw Choon's impending retirement at the forthcoming AGM, the NC, in reviewing Mr. Lee Teck Meng Stanley's independence for re-designating him as an Independent Director of the Company, also took into consideration the substance of his independence:

- (a) During the workings of the Board and Board committees for the past two years, he has been able to make objective judgement without vested interest, conflict of interest or undue influence from interested parties. In addition, he does not have any conflicting or competing business with the Company, or sits on any Board with competing business;
- (b) His familial relationship, as a nephew of 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) is not deemed an immediate family member for the purposes of the Code. His familial relationship does not interfere, or be reasonably perceived to interfere, with the exercise of independent business judgement with a view to the best interests of the Company; and
- (c) The referral fee of less than S\$50,000 from the Company for the private placement in 2013 was insignificant and below the Code's threshold guide of S\$100,000 and did not occur in the current or immediate past financial year, and had long lapsed for five years.

In view thereof, the Board, with the concurrence of the NC, was of the view that Mr. Lee Teck Meng Stanley is independent in character and judgement, and there were no circumstances which would likely affect or appear to affect his judgement. The NC acknowledges that his strength of character, objectivity and wealth of business and commercial experience will be able to bring contributions effectively as an Independent Director of the Company. Mr. Lee Teck Meng Stanley was re-designated from Non-Executive and Non-Independent Director to Independent Director on 21 August 2018. Mr. Lee Teck Meng Stanley, being interested in this matter, duly abstained and recused himself from participating from all discussion and the recommendation on his own independence. For good corporate governance, Mr. Lim Kee Liew @ Victor Lim had also abstained and recused himself from participating from all discussion and the recommendation on the re-designation of Mr. Lee Teck Meng Stanley.

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 2018. 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 FY2018. In evaluating the Board's and Board Committees' performance, the NC considers a comprehensive set of quantitative and qualitative performance criteria that has been approved by the Board. The performance evaluation was carried out to assess and evaluate amongst other things, the Board's composition, size and expertise, timeliness of information, accountability and processes, internal control and risk management, and standard of conduct.

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



## Report on Corporate Governance

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

	<b>Board Meeting</b>	<b>Audit Committee</b>	<b>Remuneration Committee</b>	<b>Nominating Committee</b>
<b>No. of meetings held :</b>	2	2	1	1
<b>Name of Directors :</b>				
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	1/2	-	-
Cheah Wee Teong	2/2	2/2	1/1	1/1
Lee Teck Meng Stanley	2/2	2/2	1/1	1/1

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

To-date, no external facilitator has been used.

### **Principle 6 Access to Information**

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

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

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

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



# Report on Corporate Governance

## REMUNERATION MATTERS

### **Principle 7 Procedures for Developing Remuneration Policies**

### **Principle 8 Level and Mix of Remuneration**

### **Principle 9 Disclosure on Remuneration**

The RC comprises three Directors, all of whom, including the Chairman, are Independent Directors. The members are:

Mr. Cheah Wee Teong	–	RC Chairman
Mr. Chue Wai Tat	–	RC Member
Mr. Lee Teck Meng Stanley <sup>1</sup>	–	RC Member

Note:

<sup>1</sup> Mr. Lee Teck Meng Stanley was re-designated as an Independent Director of the Company with effect from 21 August 2018.

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:

- (a) to review and recommend to the Board an appropriate and competitive framework of remuneration for the Board and key management personnel of the Group to attract, retain and motivate employees of the required caliber to manage the Company successfully;
- (b) 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;
- (c) to review Management's proposal of the fees for Non-Executive Directors (including Independent Directors);
- (d) to ensure that the remuneration policies and systems of the Group supports the Group's objectives and strategies; and
- (e) to administer the Company's Asian Micro Employees' Share Option Scheme 2010 ("ESOS 2010").

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

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

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

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



## Report on Corporate Governance

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

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

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 RC, with the concurrence of the Board, is of the view that the current remuneration of the Independent Directors is appropriate to the level of contribution, taking into account factors such as efforts and time spent, and responsibilities of the Directors. The payments of Directors' fees are approved by the shareholders of the Company as a lump sum payment at the Annual General Meeting of the Company.

The details of the Company's ESOS 2010 are set out on pages 29 and 30 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 2018:

<b>Remuneration band and name of directors</b>	<b>Fee</b>	<b>Salary</b>	<b>Bonus</b>	<b>Other Benefits</b>	<b>Total</b>
	%	%	%	%	%
<b>\$500,000 to S\$750,000</b>					
Lim Kee Liew @ Victor Lim	–	81	16	3	100
<b>\$250,000 to S\$500,000</b>					
Ng Chee Wee	–	80	17	3	100
<b>Below \$250,000</b>					
Chue Wai Tat	100	–	–	–	100
Teo Kio Choon @ Chang Chiaw Choon	100	–	–	–	100
Cheah Wee Teong	100	–	–	–	100
Lee Teck Meng Stanley	100	–	–	–	100



## Report on Corporate Governance

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

Key management personnel	Salary	Bonus	Other Benefits	Total
	%	%	%	%
<b>\$250,000 to S\$500,000</b>				
Leong Lai Heng	85	12	3	100
<b>Below \$250,000</b>				
Phan Guo Yee	81	18	1	100
Koh Lye Seng Eric	79	16	5	100

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

Notwithstanding guidelines 9.1 and 9.3, as the Group has only 3 key management personnel, disclosure was only made in respect of the remuneration of these 3 key management personnel. The aggregate remuneration paid to these key management personnel was \$565,009 (2017: \$374,291).

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 \$350,000 but was less than \$400,000 during the financial year ended 30 June 2018. Save as disclosed, none of the employees who are immediate family members of a Director of the CEO received more than S\$50,000 in remuneration for FY2018.

For FY2018, there were no termination, retirement and post-employment benefits granted to Directors and the top 3 key management personnel (who are not Directors or the CEO).

### ACCOUNTABILITY AND AUDIT

#### *Principle 10 Accountability*

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

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

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





## Report on **Corporate Governance**

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

**Principle 11 Risk Management and Internal Controls**

**Principle 12 Audit Committee**

**Principle 13 Internal Audit**

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

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

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

The Board had received assurance from the CEO and Chief Financial Officer that as at 30 June 2018:

- (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 2018.



## Report on Corporate Governance

The AC comprises the following members, all of whom including the Chairman are Independent Directors and they are appropriately qualified to discharge their responsibilities:

Mr. Chue Wai Tat	–	AC Chairman
Mr. Teo Kio Choon @ Chang Chiaw Choon <sup>1</sup>	–	AC Member
Mr. Cheah Wee Teong	–	AC Member
Mr. Lee Teck Meng Stanley <sup>2</sup>	–	AC Member

*Notes:*

<sup>1</sup> Mr. Teo Kio Choon @ Chang Chiaw Choon is retiring pursuant to Article 89 of the Company's Constitution of the Company and will not be seeking re-election and shall retire as an Independent Director at the conclusion of the forthcoming AGM. Accordingly, he will be stepping down as a member of the AC.

<sup>2</sup> Mr. Lee Teck Meng Stanley was re-designated as an Independent Director of the Company with effect from 21 August 2018.

Following the retirement of Mr. Teo Kio Choon @ Chang Chiaw Choon at the forthcoming AGM, he will be stepping down as a member of the AC.

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

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

The principal functions of the AC are:

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

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



## Report on Corporate Governance

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

The AC meets with the Group's external auditor and Management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group. In performing its functions for FY2018, the AC had:

- (a) held 2 meetings in the financial year with Management and the external auditor, and met once with the external auditor without the presence of Management;
- (b) reviewed the audit plan and audit report for FY2018 presented by the external auditor;
- (c) conducted an annual review of the audit and non-audit services provided by the external auditor, Ernst & Young LLP, to satisfy itself that the nature and extent of such non-audit services will not prejudice the independence and objectivity of the external auditor. The fees incurred for FY2018 are as follows:

	<b>2018 \$'000</b>
<b>Fees on audit services paid/payable to</b>	
- Auditor of the Company	86
- Other auditors	2
<b>Fees on non-audit services paid/payable to</b>	
- Auditor of the Company	32
- Other auditors	-

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

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

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

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



# Report on Corporate Governance

## SHAREHOLDER RIGHTS AND RESPONSIBILITIES

### *Principle 14 Shareholder Rights*

### *Principle 15 Communication with Shareholder*

### *Principle 16 Conduct of Shareholder Meetings*

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

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

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

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

The Company currently does not have a formal dividend policy. The Board considers factors such as the Group's earnings, financial position, operations results, capital requirements, cash flows, development plans, and other factors before determining any dividend to be declared. No dividend was declared for the financial year ended 30 June 2018 as the Company does not have retained earnings and the Group is conserving cash for its business operations and future developments.

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

## DEALINGS IN SECURITIES

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

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



## Report on **Corporate Governance**

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

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

### **MATERIAL CONTRACTS**

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

### **INTERESTED PERSON TRANSACTIONS**

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

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

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

### **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 2018.



## 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 2018.

### 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 2018 and the financial performance of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as:
  - (a) The Group and the Company will be able to generate adequate cash flows to maintain a positive cash and cash equivalent position; and
  - (b) Two of the Company's existing major shareholders (one of whom is also a director of the Company) have agreed to provide continuing financial support to the Group and the Company to enable the Group and the Company to meet their obligations as and when the need arises.

### Directors

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

Lim Kee Liew @ Victor Lim  
Ng Chee Wee  
Chue Wai Tat  
Teo Kio Choon @ Chang Chiaw Choon  
Cheah Wee Teong  
Lee Teck Meng Stanley

### 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' Statement

### 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 2017	At 30 June 2018	At 21 July 2018	At 1 July 2017	At 30 June 2018	At 21 July 2018
<b>The Company</b>						
<b>Asian Micro Holdings Limited</b>						
(Ordinary shares)						
Lim Kee Liew @ Victor Lim	148,224,769	185,858,469	185,958,469	155,729,855	159,479,855	159,479,855
Ng Chee Wee	8,027,586	13,777,586	13,977,586	–	–	–
Teo Kio Choon @ Chang Chiaw Choon	3,500,000	3,500,000	3,500,000	–	–	–
Lee Teck Meng Stanley	–	–	–	300,000	300,000	300,000

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 2018.

### 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 2018 are as follows:

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



## Directors' Statement

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	–
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	–
<b>Name of Associates of Controlling Shareholders</b>					
Leong Lai Heng	–	2,000,000	–	2,000,000	–
Lin Xianglong Winchester	–	2,000,000	–	2,000,000	–

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 2018.

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 (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;





## Directors' **Statement**

- 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  
28 September 2018



# Independent Auditor's Report

For the financial year ended 30 June 2018

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

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Asian Micro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2018, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### Basis for opinion

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

#### Key audit matters

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

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

#### *Allowance for doubtful debts*

As at 30 June 2018, the Group's gross trade receivable balances were significant as they represent 22% of the total current assets in the consolidated balance sheet and the total trade receivables and related allowance for doubtful debts amounted to \$716,346 and \$nil respectively. As the assessment of recoverability of trade receivables requires significant management judgement in assessing the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments, we determined that this is a key audit matter.



# Independent Auditor's Report

For the financial year ended 30 June 2018

## Key audit matters (cont'd)

### *Allowance for doubtful debts (cont'd)*

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

- (i) Obtaining an understanding of the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.
- (ii) Requesting trade receivable confirmations on a sample basis and evidence of receipts from the customers subsequent to the year end.
- (iii) Evaluating management's assumptions and estimates used to determine the allowance for doubtful debts through the following:
  - Reviewing customers' aging report to identify collection risks, assessing certain overdue trade receivables, and where applicable, reviewing their payment history and correspondences between the Group and the customers on expected settlement dates; and
  - Discussing with management on the collectability of trade receivables and adequacy of allowance for doubtful debts, and inquired management if there are any known disputed receivables.
- (iv) Assessing the adequacy of the Group's disclosures on the trade receivables and the related risks such as credit risk and liquidity risk in Notes 9 and 29 to the consolidated financial statements.

### *Allowance for inventory obsolescence*

As at 30 June 2018, the carrying amount of the Group's gross inventories and allowance for inventory obsolescence amounted to \$32,636 and \$14,129 respectively. Management exercises significant judgement and estimates in assessing the adequacy of the allowance for inventory obsolescence as a result of potential reduction in end user demand. Such judgement involves the consideration of factors such as expected future sales and demand of the inventory, probability of the inventory becoming obsolete, aging profile of the inventory and related historical sales experience. Possible changes in these estimates could result in revisions to the allowance for inventory obsolescence. As such, we determined that this is a key audit matter.

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

- (i) Observing the annual stock count to ascertain the physical existence for a sample of inventories and observed whether damaged or obsolete inventories are identified and written off appropriately;
- (ii) Assessing the consistency and reasonableness of management's basis for allowance for inventory obsolescence with respect to aged or slow moving inventories;
- (iii) Reviewing inventory aging report and assessed the adequacy of the Group's allowance for inventory obsolescence in accordance with management's basis for allowance for inventory obsolescence in (ii);
- (iv) Assessing the adequacy of disclosures related to inventories in Notes 2.16 and 8 to the consolidated financial statements.



# Independent Auditor's Report

For the financial year ended 30 June 2018

## Other information

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

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

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

## Responsibilities of management and directors for the financial statements

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

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

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

## Auditor's responsibilities for the audit of the financial statements

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



# Independent Auditor's Report

For the financial year ended 30 June 2018

## Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

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

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

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



# Independent Auditor's Report

For the financial year ended 30 June 2018

## Report on other legal and regulatory requirements

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

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

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore  
28 September 2018



# Balance Sheets

As at 30 June 2018

	Note	Group		Company	
		2018 \$	2017 \$	2018 \$	2017 \$
<b>Non-current assets</b>					
Plant and equipment	3	157,639	199,973	10,796	120,321
Investment properties	4	542,162	–	–	–
Investments in subsidiaries	5	–	–	30,955	30,939
Other investments	6	–	–	–	–
Other receivables	9	34,419	1,600,312	–	–
		734,220	1,800,285	41,751	151,260
<b>Current assets</b>					
Development properties	7	1,653,891	–	–	–
Inventories	8	18,507	31,939	–	–
Trade and other receivables	9	753,668	659,088	8,585	5,961
Prepayments		23,725	18,686	14,916	12,865
Due from subsidiaries (non-trade), net	10	–	–	1,346,861	711,546
Other current assets	3	2	9,852	–	–
Fixed deposits	11	201,458	201,206	–	–
Cash and bank balances	11	534,383	1,287,640	216,400	380,767
		3,185,634	2,208,411	1,586,762	1,111,139
<b>Total assets</b>		<b>3,919,854</b>	<b>4,008,696</b>	<b>1,628,513</b>	<b>1,262,399</b>
<b>Current liabilities</b>					
Trade and other payables	12	938,098	726,788	102,422	9,562
Accrued expenses	13	321,072	318,423	140,498	144,027
Due to related parties (non-trade), net	10	5,466	5,638	2,812	2,902
Loan from director	10	818,055	833,765	–	–
Obligations under finance leases	14	42,836	41,024	42,836	41,024
Income tax payable		43,127	39,804	–	–
		2,168,654	1,965,442	288,568	197,515
<b>Net current assets</b>		<b>1,016,980</b>	<b>242,969</b>	<b>1,298,194</b>	<b>913,624</b>



# Balance Sheets

As at 30 June 2018

	Note	Group		Company	
		2018 \$	2017 \$	2018 \$	2017 \$
<b>Non-current liabilities</b>					
Obligations under finance leases	14	37,114	79,950	37,114	79,950
Deferred tax liabilities	23	585	585	585	585
		37,699	80,535	37,699	80,535
<b>Total liabilities</b>		2,206,353	2,045,977	326,267	278,050
<b>Net assets</b>		1,713,501	1,962,719	1,302,246	984,349
<b>Equity attributable to owners of the Company</b>					
Share capital	15	43,432,612	42,862,115	43,432,612	42,862,115
Share option reserve	16	40,051	40,051	40,051	40,051
Foreign currency translation reserve	16	(227,146)	(57,409)	-	-
Other reserve	16	96,189	96,189	96,189	96,189
Accumulated losses		(41,747,173)	(41,137,724)	(42,266,606)	(42,014,006)
		1,594,533	1,803,222	1,302,246	984,349
Non-controlling interests		118,968	159,497	-	-
<b>Total equity</b>		1,713,501	1,962,719	1,302,246	984,349
<b>Total equity and liabilities</b>		3,919,854	4,008,696	1,628,513	1,262,399

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 2018

	Note	2018 \$	2017 \$
<b>Revenue</b>	17	4,593,105	4,148,650
Cost of sales		(3,182,122)	(2,785,519)
<b>Gross profit</b>		<u>1,410,983</u>	<u>1,363,131</u>
<b>Other items of income</b>			
Finance income	18	391	17,029
Other income	19	289,976	621,534
<b>Other items of expense</b>			
Administrative expenses		(2,223,287)	(1,736,598)
Distribution and selling expenses		(25,156)	(33,726)
Finance expenses	18	(9,799)	(9,473)
Other expenses	20	(84,605)	(28,517)
<b>(Loss)/profit before tax from continuing operations</b>	21	(641,497)	193,380
Income tax expense	23	(4,052)	(2,312)
<b>Net (loss)/profit for the year from continuing operations</b>		<u>(645,549)</u>	<u>191,068</u>
<b>Discontinued operation</b>			
Loss from discontinued operation, net of tax	24	-	(241,451)
<b>Loss for the year</b>		<u>(645,549)</u>	<u>(50,383)</u>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		(174,182)	(784,191)
Foreign currency reserve realised on disposal of subsidiary		-	(124,895)
<b>Other comprehensive income for the year, net of tax</b>		<u>(174,182)</u>	<u>(909,086)</u>
<b>Total comprehensive income for the year</b>		<u>(819,731)</u>	<u>(959,469)</u>
<b>Net loss for the year attributable to:</b>			
<b>Owners of the Company</b>			
Loss from continuing operations		(609,449)	(175,647)
Loss from discontinued operation		-	(363,331)
Loss for the year attributable to owners of the Company		<u>(609,449)</u>	<u>(538,978)</u>
<b>Non-controlling interests</b>			
(Loss)/profit from continuing operations		(36,100)	366,715
Profit from discontinued operation		-	121,880
(Loss)/profit for the year attributable to non-controlling interests		<u>(36,100)</u>	<u>488,595</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(779,186)	(1,329,754)
Non-controlling interests		(40,545)	370,285
		<u>(819,731)</u>	<u>(959,469)</u>
<b>Loss per share from continuing operations attributable to owners of the Company (cents per share)</b>			
Basic	25	(0.10)	(0.03)
Diluted	25	(0.09)	(0.03)
<b>Loss per share from discontinued operation attributable to owners of the Company (cents per share)</b>			
Basic and diluted	25	-	(0.06)
<b>Loss per share attributable to owners of the Company (cents per share)</b>			
Basic	25	(0.10)	(0.09)
Diluted	25	(0.09)	(0.09)

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 2018

2018 Group	Attributable to owners of the Company							
	Total equity \$	Equity attributable to owners of the Company \$	Share capital (Note 15) \$	Accumulated losses \$	Other reserves (Note 16) \$	Foreign currency translation reserve (Note 16) \$	Share option reserve (Note 16) \$	Non-controlling interests \$
<b>Opening balance at 1 July 2017</b>	1,962,719	1,803,222	42,862,115	(41,137,724)	96,189	(57,409)	40,051	159,497
Net loss for the year	(645,549)	(609,449)	-	(609,449)	-	-	-	(36,100)
<u>Other comprehensive income for the year, net of tax</u>								
Foreign currency translation differences for foreign operations	(174,182)	(169,737)	-	-	-	(169,737)	-	(4,445)
Other comprehensive income for the year	(174,182)	(169,737)	-	-	-	(169,737)	-	(4,445)
Total comprehensive income for the year	(819,731)	(779,186)	-	(609,449)	-	(169,737)	-	(40,545)
<u>Contribution by and distributions to owners</u>								
Issuance of ordinary shares	570,497	570,497	570,497	-	-	-	-	-
Total contribution by and distributions to owners	570,497	570,497	570,497	-	-	-	-	-
<u>Changes in ownership interests in subsidiaries</u>								
Capital contribution from non-controlling interest	16	-	-	-	-	-	-	16
Total changes in ownership interests in subsidiaries	16	-	-	-	-	-	-	16
<b>Closing balance at 30 June 2018</b>	<b>1,713,501</b>	<b>1,594,533</b>	<b>43,432,612</b>	<b>(41,747,173)</b>	<b>96,189</b>	<b>(227,146)</b>	<b>40,051</b>	<b>118,968</b>



# Statements of Changes in Equity

For the year ended 30 June 2018

2017 Group	Attributable to owners of the Company							
	Total equity \$	Equity attributable to owners of the Company \$	Share capital (Note 15) \$	Accumulated losses \$	Other reserves (Note 16) \$	Foreign currency translation reserve (Note 16) \$	Share option reserve (Note 16) \$	Non- controlling interests \$
<b>Opening balance at 1 July 2016</b>	2,064,667	3,132,976	42,862,115	(40,598,746)	96,189	733,367	40,051	(1,068,309)
Net (loss)/profit for the year	(50,383)	(538,978)	-	(538,978)	-	-	-	488,595
<u>Other comprehensive income for the year, net of tax</u>								
Foreign currency translation differences for foreign operations	(784,191)	(665,881)	-	-	-	(665,881)	-	(118,310)
Foreign currency reserve realised on disposal of subsidiary	(124,895)	(124,895)	-	-	-	(124,895)	-	-
Other comprehensive income for the year	(909,086)	(790,776)	-	-	-	(790,776)	-	(118,310)
Total comprehensive income for the year	(959,469)	(1,329,754)	-	(538,978)	-	(790,776)	-	370,285
<u>Changes in ownership interests in subsidiaries</u>								
Capital contribution from non-controlling interest	32,201	-	-	-	-	-	-	32,201
Disposal of subsidiary	889,446	-	-	-	-	-	-	889,446
Strike off of subsidiary	(64,126)	-	-	-	-	-	-	(64,126)
Total contributions by and distributions to owners	857,521	-	-	-	-	-	-	857,521
<b>Closing balance at 30 June 2017</b>	<b>1,962,719</b>	<b>1,803,222</b>	<b>42,862,115</b>	<b>(41,137,724)</b>	<b>96,189</b>	<b>(57,409)</b>	<b>40,051</b>	<b>159,497</b>



# Statements of Changes in Equity

For the year ended 30 June 2018

Company	Total equity \$	Share capital (Note 15) \$	Accumulated losses \$	Other reserves (Note 16) \$	Share option reserve (Note 16) \$
<b>Balance as at 1 July 2017</b>	984,349	42,862,115	(42,014,006)	96,189	40,051
Net loss for the year, representing total comprehensive income for the year	(252,600)	–	(252,600)	–	–
<b>Contribution by and distributions to owners</b>					
Issue of ordinary shares	570,497	570,497	–	–	–
Total contribution by and distributions to owners	570,497	570,497	–	–	–
<b>Balance as at 30 June 2018</b>	1,302,246	43,432,612	(42,266,606)	96,189	40,051
<b>Balance as at 1 July 2016</b>	(391,059)	42,862,115	(43,389,414)	96,189	40,051
Net profit for the year, representing total comprehensive income for the year	1,375,408	–	1,375,408	–	–
<b>Balance as at 30 June 2017</b>	984,349	42,862,115	(42,014,006)	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 2018

	Note	2018 \$	2017 \$
<b>Cash flow from operating activities</b>			
(Loss)/profit before tax from continuing operations		(641,497)	193,380
Loss before tax from discontinued operation		–	(241,451)
Adjustments:			
Allowance for inventories obsolescence		–	24,432
Depreciation of plant and equipment	3	180,287	183,820
Interest expense	18	8,155	7,134
Interest income	18	(391)	(17,029)
Loss on disposal of subsidiary		–	480,432
Fair value loss on investment properties	20	81,609	–
Non cash benefits paid to directors and employees		211,250	–
Plant and equipment written off		2,542	3,804
Gain on striking off of subsidiary		–	(64,126)
Write-back of payables that have expired	19	(28,456)	(115,235)
Write-back of allowance for inventories obsolescence	8	(22,908)	(7,582)
Unrealised exchange gain		(147,344)	(772,735)
<b>Operating cash flows before changes in working capital</b>		(356,753)	(325,156)
Decrease/(increase) in inventories		36,340	(17,658)
Decrease/(increase) in trade and other receivables		(182,490)	(4,598)
(Increase)/decrease in prepayments		(5,039)	6,683
Decrease in amount due to related parties		(172)	(34,794)
Decrease in trade and other payables		241,779	417,243
<b>Cash (used in)/generated from operations</b>		(266,335)	41,720
Interest paid		(4,433)	(7,134)
Interest income received		391	17,029
Income taxes paid		(729)	(4,394)
<b>Net cash (used in)/generated from operating activities</b>		(271,106)	47,221
<b>Cash flow from investing activities</b>			
Deposit for purchase of land		–	(1,567,603)
Loan to non-controlling interest		(16)	(32,201)
Net cash inflow from disposal of subsidiary		–	130,442
Purchase of investment properties		(511,440)	–
Purchase of plant and equipment		(1,663)	(1,512)
<b>Net cash used in investing activities</b>		(513,119)	(1,470,874)



# Consolidated Cash Flow Statement

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Cash flow from financing activities</b>			
Capital contribution from non-controlling interests		16	32,201
Loan from director		489,042	833,765
Repayment of finance leases obligations		(41,024)	(53,140)
Repayment of loan from director		(379,892)	–
Pledged fixed deposits (placement)/withdrawn		(252)	(251)
Share issuance expenses		(52,922)	–
		<hr/>	<hr/>
<b>Net cash from financing activities</b>		14,968	812,575
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(769,257)	(611,078)
Effect of exchange rate changes in cash and cash equivalents		16,000	(5,230)
Cash and cash equivalents at beginning of year		1,287,640	1,903,948
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	11	534,383	1,287,640

Included in investing and financing activities are the following significant non-cash transactions:

1. Purchase of investment properties amounting to \$112,332 by issuing 9,817,035 ordinary shares.
2. Repayment of director's loan amounting to \$299,837 by issuing 29,833,700 ordinary shares.

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 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, trading of clean room supplies, leasing of commercial properties and property development. Details of these subsidiaries are disclosed in Note 5 to the financial statements.

## 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 \$645,549 (2017: \$50,383) for the current financial year. Notwithstanding this, the directors are of the view that it is appropriate to prepare the Group's and the Company's financial statements on a going concern basis due to the following:

- (i) The Group and the Company will be able to generate adequate cash flows to maintain a positive cash and cash equivalent position; 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 2017. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 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:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 102 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 40 <i>Transfers of Investment Property</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
Amendments to FRS 110 & FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

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

#### FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group is currently performing a detailed analysis under FRS 115 to determine the transition adjustments on its financial statements.

#### FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. 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.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.





# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

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

#### FRS 109 Financial Instruments (cont'd)

The Group has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109.

#### FRS 116 Leases

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

The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expects that the adoption of FRS 116 will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

The Group plans to adopt the new standard on the required effective date by applying FRS 116 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 July 2018.

The Group is currently in the process of analysing the transitional approaches to be elected on transition to FRS 116 and assessing the possible impact of adoption.

#### ***New financial reporting framework effective from 1 January 2018***

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

### 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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.4 Significant accounting judgements and estimates (cont'd)

#### 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 9 to the financial statements.

##### (ii) Inventory obsolescence

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

In determining the amount of allowance, the Group considers factors including the ageing analysis by 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 8.

### 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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.5 Basis of consolidation (cont'd)

#### (a) Basis of consolidation (cont'd)

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

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

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

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

#### (b) Business combinations

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

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

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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.6 Transactions with non-controlling interests

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

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

### 2.7 Foreign currency

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

#### (a) Transactions and balances

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

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

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore Dollars 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:

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

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.8 *Plant and equipment (cont'd)*

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 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

### 2.10 *Impairment of non-financial assets*

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

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

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

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.11 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.

### 2.12 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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.12 Financial instruments (cont'd)

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

##### 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.

#### (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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.13 Impairment of financial assets

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

#### *Financial assets carried at amortised cost*

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

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

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.

### 2.14 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.

### 2.15 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.





# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.16 Inventories

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

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

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

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

### 2.17 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.

### 2.18 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.

### 2.19 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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.19 Employee benefits (cont'd)

#### (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.

#### (c) Equity-settled share-based payment transactions

Equity-settled share-based payment transactions are measured at the fair value of the goods obtained or services received, with a corresponding increase in equity. If an entity cannot reliably estimate the fair value of the goods obtained or services received, it must measure their value indirectly using the fair value of the equity instruments at grant date.

### 2.20 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 2.21(f).



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.21 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.

#### (e) Management fees

Management fees are recognised when services are rendered.

#### (f) Rental income

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.22 Taxes

#### (a) Current income tax

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

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

#### (b) Deferred tax

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

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

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

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

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

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

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

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### 2.22 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.

### 2.23 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 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.24 Share capital and share issue expenses

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 3. Plant and equipment

Group	Furniture and fittings \$	Air conditioners \$	Machinery, equipment and motor vehicles \$	Office equipment and computers \$	Renovations and electrical installations \$	Total \$
<b>Cost</b>						
At 1 July 2016	65,124	4,363	1,194,131	140,093	103,563	1,507,274
Additions	-	-	-	1,512	-	1,512
Disposal of subsidiary	-	-	(250,213)	(55,063)	(72,830)	(378,106)
Write-off	(23,038)	(1,641)	(30,118)	(45,424)	(35,476)	(135,697)
Translation difference	951	68	10,010	4,146	5,423	20,598
At 30 June 2017 and 1 July 2017	43,037	2,790	923,810	45,264	680	1,015,581
Additions	-	-	121,932	1,663	-	123,595
Write-off	-	-	-	(3,839)	-	(3,839)
Translation difference	-	-	8,558	(6)	-	8,552
At 30 June 2018	43,037	2,790	1,054,300	43,082	680	1,143,889



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 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 \$
<b>Accumulated depreciation</b>						
At 1 July 2016	60,998	3,665	798,304	128,914	97,046	1,088,927
Charge for the year	4,125	698	175,064	2,281	1,652	183,820
Disposal of subsidiary	-	-	(245,592)	(36,518)	(67,611)	(349,721)
Write-off	(23,355)	(1,663)	(12,278)	(58,629)	(35,968)	(131,893)
Translation difference	1,269	90	3,196	4,507	5,561	14,623
At 30 June 2017 and 1 July 2017	43,037	2,790	718,694	40,555	680	805,756
Charge for the year	-	-	178,667	1,620	-	180,287
Write-off	-	-	-	(1,297)	-	(1,297)
Translation difference	-	-	1,505	(3)	-	1,502
At 30 June 2018	43,037	2,790	898,866	40,875	680	986,248
<b>Net book value</b>						
At 30 June 2017	-	-	9,852	-	-	9,852
- Current*	-	-	195,264	4,709	-	199,973
- Non-Current	-	-	-	-	-	-
At 30 June 2018	-	-	2	-	-	2
- Current*	-	-	155,432	2,207	-	157,639
- Non-Current	-	-	-	-	-	-

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 3. Plant and equipment (cont'd)

Company	Motor vehicles \$	Furniture and fittings \$	Total \$
<b>Cost</b>			
At 1 July 2016, 30 June 2017 and 30 June 2018	421,827	43,036	464,863
<b>Accumulated depreciation</b>			
At 1 July 2016	171,978	38,911	210,889
Depreciation charge for the year	129,528	4,125	133,653
At 30 June 2017 and 1 July 2017	301,506	43,036	344,542
Depreciation charge for the year	109,525	–	109,525
At 30 June 2018	411,031	43,036	454,067
<b>Net book value</b>			
At 30 June 2017	120,321	–	120,321
At 30 June 2018	10,796	–	10,796

During the financial year, the Group acquired plant and equipment with an aggregate cost of approximately \$1,663 (2017: \$1,512) by cash payment.

### Assets held under finance lease

The Group's and the Company's carrying amount of machinery, equipment and motor vehicles held under finance leases as at 30 June 2018 was \$nil and \$nil (2017: \$100,000 and \$100,000 respectively).

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





# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 4. Investment properties

	Group	
	2018 \$	2017 \$
<b>Balance sheet:</b>		
At 1 July	-	-
Additions	623,771	-
Fair value loss recognised in profit or loss	(81,609)	-
At 30 June	542,162	-

	Group	
	2018 \$	2017 \$
<b>Income statement:</b>		
Rental income from investment properties	7,496	-
Direct operating expenses from investment properties	(2,330)	-

### *Valuation of investment properties*

Investment properties are stated at fair value, which has been determined internally by management based on comparison with similar transacted properties close to year end.

The investment properties held by the Group as at 30 June are as follows:

Description and location	Existing use	Tenure	Area (square metres)
Four commercial units in Gurney Tower, Penang, Malaysia	Office	Freehold	225



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 5. Investments in subsidiaries

	Company	
	2018 \$	2017 \$
Unquoted equity investments, at cost	9,189,819	9,189,803
Less: Impairment loss	(9,158,864)	(9,158,864)
Carrying amount of investments	30,955	30,939

### Movement in allowance for impairment of investment in subsidiaries

At 1 July	9,158,864	9,304,897
Strike off	-	(40,770)
Disposal	-	(105,263)
As at 30 June	9,158,864	9,158,864

### a. Composition of the Group

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

Name of company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest		Cost of investment by the Company	
			2018 %	2017 %	2018 \$	2017 \$
<u>Held by the Company</u>						
Asian Micro (S) Pte Ltd ("AMS") <sup>(4)</sup>	Singapore	Currently under creditors' liquidation	Note (a)	Note (a)	3,865,290	3,865,290
Asian Micro (Thailand) Co., Ltd. ("AMT") <sup>(2)</sup>	Thailand	Currently under voluntary liquidation	100	100	1,510,100	1,510,100
AM NGV (S) Pte Ltd ("AM NGV (S)") <sup>(1)</sup>	Singapore	Trading in natural gas vehicle ("NGV") and compressed natural gas ("CNG") supplies	100	100	600,000	600,000
ACI Industries Pte Ltd ("ACI") <sup>(1)</sup>	Singapore	Trading in clean room supplies	100	100	168,387	168,387



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 5. 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	
			2018	2017	2018	2017
			%	%	\$	\$
<u>Held by the Company</u>						
Asian Micro Sdn. Bhd. ("AMM") <sup>(3)</sup>	Malaysia	Currently inactive	100	100	2,765,013	2,765,013
SO NGV (S) Pte Ltd ("SO NGV (S)") <sup>(1)</sup>	Singapore	Currently inactive	74	74	74	74
AM NGV (T) Co., Ltd. ("AM NGV (T)") <sup>(4)</sup>	Thailand	Currently under voluntary liquidation	74	74	250,000	250,000
Leverage Income Sdn Bhd ("Leverage Income") <sup>(3)</sup> Note (b)	Malaysia	Property development	49	49	30,939	30,939
Asian Micro Capital Sdn Bhd ("AMC") <sup>(3)</sup> Note (b)	Malaysia	Investment properties	49	49	16	–
					9,189,819	9,189,803

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore

<sup>(2)</sup> Audited by J.C. Accounting Office, Thailand

<sup>(3)</sup> Audited by Tee & Partners, Malaysia

<sup>(4)</sup> Not required to be audited by the laws of its country of incorporation

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

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 5. Investments in subsidiaries (cont'd)

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

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

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	(Loss)/profit allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividend paid to NCI
<b>30 June 2018:</b>					
AM NGV (T) Co., Ltd. ("AM NGV (T)")	Thailand	26	–	186,544	Nil
Leverage Income Sdn Bhd ("Leverage Income")	Malaysia	51	(79)	32,120	Nil
Asian Micro Capital Sdn Bhd ("AMC")	Malaysia	51	(38,732)	(38,716)	Nil
<b>30 June 2017:</b>					
AM NGV (T) Co., Ltd.	Thailand	26	296,680	191,793	Nil

#### Significant restriction:

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

### c. Summarised financial information about subsidiary with material NCI

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

#### Summarised balance sheets

	Leverage Income		AMC		AM NGV (T)	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
<b>Non-current:</b>						
Assets	–	1,567,603	542,163	–	–	–
<b>Current:</b>						
Assets	1,657,455	43,002	12,371	–	–	–
Liabilities	(1,594,475)	(1,547,469)	(630,446)	–	(1,209,139)	(1,188,951)
Net current assets/(liabilities)	62,980	(1,504,467)	(618,075)	–	(1,209,139)	(1,188,951)
Net assets/(liabilities)	62,980	63,136	(75,912)	–	(1,209,139)	(1,188,951)



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 5. Investments in subsidiaries (cont'd)

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

#### Summarised statement of comprehensive income

	Leverage Income		AMC		AM NGV (T)	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
(Loss)/profit before income tax	(3,349)	(1,010)	(74,328)	-	-	1,257,617
(Loss)/profit after tax	(3,349)	(1,010)	(74,328)	-	-	1,257,617
Total comprehensive income	(6,543)	(2,016)	(72,710)	-	-	1,374,155

## 6. Other Investments

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
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 activity	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2018	2017
			%	%
Suria Professional Service Centre Sdn. Bhd. ("Suria") <sup>(1)</sup>	Conversion of natural gas vehicles	Malaysia		
Held by the Company			20	20
Held by a subsidiary			7	7
			27	27

<sup>(1)</sup> Audited by a local audit firm in Malaysia

As at 30 June 2018, 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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 7. Development properties

	Group	
	2018 \$	2017 \$
Freehold land	1,649,366	–
Development costs	4,525	–
	1,653,891	–

### Summary of development properties

<u>Description and location</u>	% owned	Area (square metres)
Two plots of land located in Mukim 11 Daerah Barat Daya Penang, Malaysia	100	2,370
<p>The acquisition of the two plots of land was completed on 19 August 2017. Upon completion, deposits of \$1,567,603 (Note 9) paid in prior year were transferred to development properties.</p>		

## 8. Inventories

	Group	
	2018 \$	2017 \$
Finished goods (at lower of cost and net realisable value)	18,507	31,939

During the financial year, no allowance was made by the Group (2017: \$24,432) for inventory obsolescence.

During the financial year, the Group wrote back \$22,908 (2017: \$7,582) of the allowance for inventory obsolescence made previously, as the inventories were sold to customers above their carrying amounts during the current financial year.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 9. Trade and other receivables

	Group		Company	
	2018 \$	2017 \$	2018 \$	2017 \$
<b>Trade and other receivables (non-current):</b>				
Deposits	-	1,567,603	-	-
Loan to non-controlling interest of a subsidiary	34,419	32,709	-	-
<b>Total trade and other receivables (non-current)</b>	<b>34,419</b>	<b>1,600,312</b>	<b>-</b>	<b>-</b>
<b>Trade and other receivables (current):</b>				
Trade receivables	716,346	630,777	-	-
Other debtors	31,041	20,250	5,397	2,103
Deposits	6,281	8,061	3,188	3,858
<b>Total trade and other receivables (current)</b>	<b>753,668</b>	<b>659,088</b>	<b>8,585</b>	<b>5,961</b>
Total trade and other receivables	788,087	2,259,400	8,585	5,961
Add: Cash and bank balances and fixed deposits (Note 11)	735,841	1,488,846	216,400	380,767
Add: Due from subsidiaries	-	-	1,346,861	711,546
Less: Goods and services tax ("GST") receivable	(15,204)	(18,369)	(5,397)	(2,103)
Less: Deposits (non-current)	-	(1,567,603)	-	-
<b>Total loans and receivables</b>	<b>1,508,724</b>	<b>2,162,274</b>	<b>1,566,449</b>	<b>1,096,171</b>

### *Trade and other receivables*

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

### *Allowance for doubtful trade and other receivables*

During the financial year, no impairment loss recognised in the profit or loss for trade and other receivables.

As at 30 June 2018, trade receivables of the Group denominated in foreign currency are as follows:

	Group	
	2018 \$	2017 \$
United States dollars	306,194	276,656



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 9. Trade and other receivables (cont'd)

As at 30 June 2018, other receivables and deposits of the Group denominated in the foreign currency are as follows:

	Group	
	2018	2017
	\$	\$
Thailand Baht	1,196	1,176

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	
	2018	2017
	\$	\$
Movement in trade receivables allowance accounts:		
At 1 July	7,470	207,781
Write-off	(897)	(198)
Exchange differences	112	357
Disposal of subsidiary	-	(200,470)
At 30 June	6,685	7,470

	Group	
	2018	2017
	\$	\$
Movement in other receivables allowance accounts:		
At 1 July	95,508	153,776
Write-off	(51,864)	(4,885)
Exchange differences	176	562
Disposal of subsidiary	-	(53,945)
At 30 June	43,820	95,508

The above represents a provision for individually impaired trade and other receivables whose carrying values aggregate \$6,685 (2017: \$7,470) and \$43,820 (2017: \$95,508) respectively as at year end.





# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 9. Trade and other receivables (cont'd)

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.

### Receivables that are past due but not impaired

The Group has trade receivables amounting to \$201,403 (2017: \$149,888) 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:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
<i>Trade receivables past due:</i>		
Less than 30 days	198,460	147,195
30 to 60 days	722	87
61 to 90 days	-	-
91 to 120 days	-	-
More than 120 days	2,221	2,606
	201,403	149,888
	201,403	149,888

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

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

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

	<b>Company</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
<u>Movement of allowance for doubtful receivables</u>		
Balance at 1 July	21,479,571	22,680,842
Charge for the year	254,162	-
Write-back during the year	-	(7,207)
Write-off	-	(1,194,064)
	21,733,733	21,479,571
	21,733,733	21,479,571



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 10. Due from subsidiaries (non-trade), net Due to related parties (non-trade), net Loan from director (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	2017	Cash Flow	Non-cash changes			2018
		Additional loan	Purchase of vehicle	Repayment	Foreign exchange movement	
	\$	\$	\$	\$	\$	\$
Loan from director	833,765	109,150	131,838	(299,837)	43,139	818,055
Total	833,765	109,150	131,838	(299,837)	43,139	818,055

## 11. Fixed deposits Cash and bank balances

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

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash and bank balances	534,383	1,287,640	216,400	380,767
Fixed deposits	201,458	201,206	-	-
	735,841	1,488,846	216,400	380,767
Less: Fixed deposits pledged	(201,458)	(201,206)	-	-
Cash and cash equivalents	534,383	1,287,640	216,400	380,767

Cash at bank earns interest at rates based on daily bank deposit rates ranging from 0.05% to 0.10% (2017: 0.05% to 0.10%) per annum.

Fixed deposits are placed with financial institutions for varying periods of between 3 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% (2017: 0.10% to 0.15%) per annum for SGD fixed deposit. Management considers these fixed deposits as cash and cash equivalents as they can be withdrawn anytime with minimal penalties.

Fixed deposits of \$201,458 (2017: \$201,206) are pledged to the banks to obtain credit trade facilities. The credit trade facilities are also secured by:

- (i) corporate guarantee of \$440,000 (2017: \$440,000) from the Company; and
- (ii) joint and several guarantee of \$440,000 (2017: \$440,000) from two major shareholders of the Company (one of whom is also a director of the Company).

As at 30 June 2018, there were no outstanding balances for the credit trade facilities (2017: \$Nil).



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 11. Fixed deposits Cash and bank balances (cont'd)

As at 30 June 2018, cash and bank balances of the Group denominated in foreign currency are as follows:

	Group	
	2018	2017
	\$	\$
United States dollars	49,113	408,987

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

## 12. Trade and other payables

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Trade and other payables:</b>				
Trade payables	682,146	659,723	–	–
Other payables	255,952	67,065	102,422	9,562
<b>Total trade and other payables</b>	<b>938,098</b>	<b>726,788</b>	<b>102,422</b>	<b>9,562</b>
<b>Add:</b>				
Accrued expenses (Note 13)	321,072	318,423	140,498	144,027
Loan from director (Note 10)	818,055	833,765	–	–
Due to related parties (non-trade) (current) (Note 10)	5,466	5,638	2,812	2,902
Obligation under finance leases (Note 14):				
- current	42,836	41,024	42,836	41,024
- non-current	37,114	79,950	37,114	79,950
Less: Accrued Central Provident Funds	(15,959)	(18,233)	(1,004)	(1,574)
Less: Advance from customer	(8,200)	(8,200)	–	–
Less: GST payable	(21,077)	(17,801)	–	–
<b>Total financial liabilities carried at amortised cost</b>	<b>2,117,405</b>	<b>1,961,354</b>	<b>324,678</b>	<b>275,891</b>

### Trade payables

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

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

	Group	
	2018	2017
	\$	\$
United States dollars	66,060	62,324



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 12. Trade and other payables (cont'd)

### Other payables

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

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

	Group	
	2018	2017
	\$	\$
United States dollars	34	33

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

## 13. Accrued expenses

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Accrued operating expenses	149,622	154,289	69,298	74,125
Accrued personnel expenses	171,450	164,134	71,200	69,902
	321,072	318,423	140,498	144,027

## 14. Obligations under finance leases

	Effective interest rate % p.a.	Maturity	Group and Company	
			2018	2017
			\$	\$
<b>Current:</b>				
Obligations under finance leases (secured)	4.332%	2019	42,836	41,024
<b>Non-current:</b>				
Obligations under finance leases (secured)	4.332%	2020	37,114	79,950

The Group and the Company's obligations under finance leases of \$79,950 and \$79,950 respectively (2017: \$120,974 and \$120,974 respectively) relates to the motor vehicles held by key management personnel.

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 14. Obligations under finance leases (cont'd)

The Group has finance leases for certain items of machinery, equipment and motor vehicles (Note 3). There were no restrictions placed upon the Group by entering into these leases. The average discount rate implicit in the leases is 4.332% (2017: 4.332%) per annum.

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

	<b>Group and Company</b>			
	<b>Minimum lease payments 2018</b>	<b>Present value of payments 2018</b>	<b>Minimum lease payments 2017</b>	<b>Present value of payments 2017</b>
	\$	\$	\$	\$
Not later than one year	45,456	42,836	45,456	41,024
Later than one year but not later than five years	37,856	37,114	83,312	79,950
<b>Total minimum lease payments</b>	<b>83,312</b>	<b>79,950</b>	<b>128,768</b>	<b>120,974</b>
Less: Amounts representing finance charges	(3,362)	–	(7,794)	–
<b>Present value of minimum lease payments</b>	<b>79,950</b>	<b>79,950</b>	<b>120,974</b>	<b>120,974</b>

## 15. Share capital

	<b>Group and Company</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Number of shares</b>	<b>\$</b>	<b>Number of shares</b>	<b>\$</b>
Issued and fully paid ordinary shares:				
At 1 July	627,383,061	42,862,115	627,383,061	42,862,115
Assignment shares	9,817,035	112,332	–	–
Debt conversion and employees bonus shares	51,108,700	511,087	–	–
Share issuance expense	–	(52,922)	–	–
<b>At 30 June</b>	<b>688,308,796</b>	<b>43,432,612</b>	<b>627,383,061</b>	<b>42,862,115</b>

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 26) under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 16. Other reserves

### (a) Share option reserve

Share option reserve represents the equity-settled share options granted to employees (Note 26). 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.

	<b>Group and Company</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
At 1 July and 30 June	40,051	40,051

### (b) Foreign currency translation reserve

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

### (c) Other reserves

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

## 17. Revenue

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
Natural Gas Vehicle ("NGV") related business	3,171,894	2,734,243
Trading goods	1,413,715	1,414,407
Rental income	7,496	-
	4,593,105	4,148,650

## 18. Finance income/(expenses)

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Finance income</b>		
Interest income from fixed deposits, bank balances and others	391	17,029
<b>Finance expenses</b>		
Interest expense on:		
- Finance leases	(8,155)	(7,134)
Bank charges	(1,644)	(2,339)
	(9,799)	(9,473)



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 19. Other income

Other income comprises the following:

	Group	
	2018 \$	2017 \$
Foreign exchange gain, net	221,176	382,706
Sales of scrap	1,274	5,742
Strike off of company	–	64,126
Write-back of payables that have expired	28,456	115,235
Write-back of allowance of stock obsolescence	22,908	7,582
Others	16,162	46,143
	289,976	621,534

## 20. Other expenses

Other expenses comprise the following:

	Group	
	2018 \$	2017 \$
Allowance for inventories obsolescence	–	24,432
Fair value loss on investment properties	81,609	–
Plant and equipment written off	2,542	3,804
Others	454	281
	84,605	28,517



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 21. (Loss)/profit before tax from continuing operations

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

	Group	
	2018	2017
	\$	\$
Audit fees:		
- Auditor of the Company	85,500	85,500
- Other auditors	2,028	1,320
Non-audit fees:		
- Auditor of the Company	32,100	22,100
Inventories recognised as an expense in cost of sales	2,837,509	2,432,970
Depreciation of plant and equipment	180,287	172,960
Operating lease expense	63,352	63,835
Staff costs:		
- Salaries and bonuses	1,645,676	1,145,424
- Central Provident Fund contributions	87,444	88,037
- Training and course fees	6,789	3,395
- Other personnel expenses	35,818	43,614

Included in the above is compensation of key management personnel as disclosed in Note 28(b).

## 22. Directors' remuneration

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

	2018	2017
Above \$500,000	1	-
\$250,000 to \$500,000	1	1
Below \$250,000	4	6
	6	7

## 23. Income tax expense

Major components of income tax expense

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

	Group	
	2018	2017
	\$	\$
Consolidated income statement:		
Current income tax-continuing operations:		
- Under provision in respect of prior years	4,052	2,312





# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 23. Income tax expense (cont'd)

### Relationship between tax expense and accounting loss

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

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
(Loss)/profit before tax from continuing operations	(641,497)	193,380
Loss before tax from discontinued operation	–	(241,451)
	<u>(641,497)</u>	<u>(48,071)</u>
Tax at the applicable tax rate of 17%	(109,054)	(8,172)
Tax effect of expenses not deductible for tax purposes	55,352	370,816
Tax effect on income not subject to tax	(48,590)	(505,226)
Benefits from previously unrecognised tax losses	(26,532)	(19,875)
Deferred tax assets not recognised	125,146	122,773
Effects of different tax rates in other countries	3,678	39,684
Under provision in respect of prior years	4,052	2,312
	<u>4,052</u>	<u>2,312</u>

Deferred taxation at 30 June relate to the following:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$	\$
Deferred tax liabilities				
- Differences in depreciation for tax purposes	585	585	585	585

### **Group**

As at 30 June 2018, the Group has unrecognised tax losses and unutilised capital allowances of approximately \$8,090,378 (2017: \$7,510,296) and \$381,706 (2017: \$381,706), 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 2.22(b).

At the end of the reporting period, there were no undistributed earnings (2017: nil) recorded by the Group's subsidiaries.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 24. Discontinued operation

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

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

### Income statement disclosures

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

	<b>2017</b>
	\$
Profit from discontinued operation, net of tax	238,981
Loss on disposal of subsidiary	(480,432)
	<hr/>
	(241,451)
	<hr/> <hr/>

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

	<b>2017</b>
	\$
Revenue	535,331
Expenses	(491,320)
Other income	394,573
Other expenses	(201,391)
Finance income	3,738
Finance expenses	(1,950)
	<hr/>
Profit from discontinued operation, net of tax	238,981
	<hr/> <hr/>

### Cash flow statement disclosures

Operating	36,097
Financing	(5,729)
	<hr/>
Net cash inflows	30,368
	<hr/> <hr/>



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 25. Earnings per share

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

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

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

	Group	
	2018 \$	2017 \$
Loss from operations attributable to owners of the Company	(609,449)	(538,978)
- Loss from continuing operations	(609,449)	(175,647)
- Loss from discontinued operation	-	(363,331)
	<hr/>	
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic loss per share	638,778,350	627,383,061

As at 30 June 2018, 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.

## 26. 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 2017	Options exercised during the year	Balance at 30 June 2018
<b>ESOS 2010</b>					
July 2012	July 2013 – July 2022	\$0.022	2,000,000	-	2,000,000



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 26. Employee benefits (cont'd)

### 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.

	2018		2017	
	No.	WAEP(\$)	No.	WAEP(\$)
<u>ESOS 2010</u>				
Outstanding at beginning and end of the year <sup>(1)</sup>	2,000,000	0.022	2,000,000	0.022

<sup>(1)</sup> The exercise price for options outstanding at the end of the year was \$0.022 (2017: \$0.022). The weighted average remaining contractual life for these options is 4 years (2017: 5 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.

## 27. Commitments and contingencies

### (a) Operating lease commitments – as lessee

The Group leases certain properties under lease agreements. These leases have an average life of less than one year with renewal option but no contingent rent provision included in the contracts. There were no restrictions placed upon the Group or the Company by entering into these leases. Operating lease payments recognised in the consolidated profit or loss during the year amounted to \$63,352 (2017: \$63,835).

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

	Group	
	2018	2017
	\$	\$
Within one year	46,426	47,426

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



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 27. Commitments and contingencies (cont'd)

### (b) Continuing financial support

As at 30 June 2018, the Company had given undertakings to certain subsidiaries to provide financial support to enable them to operate as going concerns and to meet their obligations for at least 12 months from the respective date of the directors' statement.

## 28. 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	
	2018	2017
	\$	\$
Rental expense paid to related parties *	63,352	95,643

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

### (b) Compensation of key management personnel

	Group	
	2018	2017
	\$	\$
Short-term employee benefits and bonus	1,395,692	932,523
Central Provident Fund contributions	71,007	70,751
Total compensation paid to key management personnel	1,466,699	1,003,274
Comprise amounts for:		
- Directors of the Company	901,690	628,983
- Other key management personnel	565,009	374,291
	1,466,699	1,003,274



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 29. Financial risk management objectives and policies

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

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

### (a) Credit risk

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

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

#### Exposure to credit risk

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

- the carrying amount of each class of financial assets recognised in the balance sheets; and
- a nominal amount of \$440,000 (2017: \$440,000) relating to a corporate guarantee provided by the Company to a bank on a subsidiary's bank facility.

#### Credit risk concentration profile

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

	Group		Group	
	2018	2017	2018	2017
	\$	% of total	\$	% of total
<b>By country:</b>				
Singapore	409,621	57	353,591	56
Philippines	138,205	19	134,391	21
Thailand	167,822	23	142,090	22
People's Republic of China	698	1	705	1
	716,346	100	630,777	100

At the balance sheet date, approximately 87% (2017: 87%) of the Group's trade receivables were due from three major customers.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### (a) Credit risk (cont'd)

#### 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 9.

### (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.

Group 2018	1 year or less \$	1 to 5 years \$	Total \$
<b>Financial assets</b>			
Trade and other receivables, excluding statutory tax recoverable and deposits (non-current)	738,464	34,419	772,883
Fixed deposits	201,458	–	201,458
Cash and bank balances	534,383	–	534,383
<b>Total undiscounted financial assets</b>	<b>1,474,305</b>	<b>34,419</b>	<b>1,508,724</b>
<b>Financial liabilities</b>			
Trade and other payables, excluding advance from customer and tax payable (Note 12)	(908,821)	–	(908,821)
Accrued expenses, excluding accrued Central Provident Funds	(305,113)	–	(305,113)
Loan from director	(818,055)	–	(818,055)
Due to related parties (non-trade)	(5,466)	–	(5,466)
Obligations under finance leases	(45,456)	(37,856)	(83,312)
<b>Total undiscounted financial liabilities</b>	<b>(2,082,911)</b>	<b>(37,856)</b>	<b>(2,120,767)</b>
<b>Total net undiscounted financial liabilities</b>	<b>(608,606)</b>	<b>(3,437)</b>	<b>(612,043)</b>



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### (b) Liquidity risk (cont'd)

Group 2017	1 year or less \$	1 to 5 years \$	Total \$
<b>Financial assets</b>			
Trade and other receivables, excluding statutory tax recoverable and deposits (non-current)	640,719	32,709	673,428
Fixed deposits	201,206	–	201,206
Cash and bank balances	1,287,640	–	1,287,640
Total undiscounted financial assets	2,129,565	32,709	2,162,274
<b>Financial liabilities</b>			
Trade and other payables, excluding advance from customer and tax payable (Note 12)	(700,787)	–	(700,787)
Accrued expenses, excluding accrued Central Provident Funds	(300,190)	–	(300,190)
Loan from director	(833,765)	–	(833,765)
Due to related parties (non-trade)	(5,638)	–	(5,638)
Obligations under finance leases	(45,456)	(83,312)	(128,768)
Total undiscounted financial liabilities	(1,885,836)	(83,312)	(1,969,148)
Total net undiscounted financial assets	243,729	(50,603)	193,126





# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### (b) Liquidity risk (cont'd)

Company 2018	1 year or less \$	1 to 5 years \$	Total \$
<b>Financial assets</b>			
Trade and other receivables, excluding tax recoverable	3,188	–	3,188
Due from subsidiaries	1,346,861	–	1,346,861
Cash and bank balances	216,400	–	216,400
Total undiscounted financial assets	1,566,449	–	1,566,449
<b>Financial liabilities</b>			
Trade and other payables	(102,422)	–	(102,422)
Accrued expenses, excluding accrued Central Provident Funds	(139,494)	–	(139,494)
Due to related parties (non-trade)	(2,812)	–	(2,812)
Obligations under finance leases	(45,456)	(37,856)	(83,312)
Total undiscounted financial liabilities	(290,184)	(37,856)	(328,040)
Total net undiscounted financial assets	1,276,265	(37,856)	1,238,409
<b>Company 2017</b>			
<b>Financial assets</b>			
Trade and other receivables, excluding tax recoverable	3,858	–	3,858
Due from subsidiaries	711,546	–	711,546
Cash and bank balances	380,767	–	380,767
Total undiscounted financial assets	1,096,171	–	1,096,171
<b>Financial liabilities</b>			
Trade and other payables	(9,562)	–	(9,562)
Accrued expenses, excluding accrued Central Provident Funds	(142,453)	–	(142,453)
Due to related parties (non-trade)	(2,902)	–	(2,902)
Obligations under finance leases	(45,456)	(83,312)	(128,768)
Total undiscounted financial liabilities	(200,373)	(83,312)	(283,685)
Total net undiscounted financial assets	895,798	(83,312)	812,486

### (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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### (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 in SGD. The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD). Approximately 24% (2017: 28%) of the Group's sales are denominated in foreign currencies whilst 99% (2017: 99%) of purchases are denominated in the respective functional currencies of the Group entities. The Group has trade receivables and trade payables denominated in foreign currency. At the balance sheet date, trade receivables and trade payables denominated in foreign currency balances (mainly in USD) amounted to \$306,194 and \$66,060 (2017: \$276,656 and \$62,324) respectively.

The Group also holds cash denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD and amounted to \$49,113 (2017: \$408,987).

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

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (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.

	<b>Group Increase/(decrease) Loss before tax 2018 \$</b>
<i>USD</i>	
Strengthened by 1%	(2,892)
Weakened by 1%	2,892
	<hr/> <hr/>
	<b>Group Increase/(decrease) Profit before tax 2017 \$</b>
<i>USD</i>	
Strengthened by 2%	12,466
Weakened by 2%	(12,466)
	<hr/> <hr/>



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 30. Fair value of assets and liabilities

### (a) Fair value hierarchy

The Group categorises 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 recognised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows the information about fair value measurement for investment properties using significant unobservable inputs (Level 3):

	Fair value \$	Valuation techniques	Unobservable inputs	Average \$
<b>2018</b>	542,162	Market comparable data	Price per square foot	226

A significant increase or decrease in the price per square foot would result in a significantly higher or lower fair value of the investment properties

#### Valuation policies and procedures

The Directors oversee the Group's financial reporting valuation process and are responsible for setting and documenting the Group's valuation policies and procedures.

The fair value of the Group's investment properties is either valued by an independent valuation expert periodically or internally by management based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller. The Directors are responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance to perform the valuation. For the current year, the Group's investment property were valued internally.

For valuations performed by independent valuation experts or by management, the Directors review the appropriateness of the valuation methodology and assumptions adopted. The Directors also evaluate the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

### (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 9), due to related parties (Note 10), due from subsidiaries (Note 10), trade and other payables (Note 12), accrued expenses (Note 13) and obligations under finance leases (current) (Note 14).*

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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

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

### (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	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Group</b>				
Finance leases obligations repayable after 1 year but within 5 years	37,114	79,950	36,217	78,533
<b>Company</b>				
Finance leases obligations repayable after 1 year but within 5 years	37,114	79,950	36,217	78,533

#### 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.

### (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 6) because fair value cannot be measured reliably. There is no trading market value for the other investments.

## 31. 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.



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 32. 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.

### 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.

### Property business

Property business refers to leasing of commercial properties and property development.

## **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 \$3,163,591 (2017: \$2,723,138).

Revenue from one major customer in the trading segment amounted to \$498,181 (2017: \$565,143).



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 32. Segment information (cont'd)

### Segments

The following tables presents revenue and results information regarding the Group's reportable operating segments for the financial years ended 30 June 2018 and 2017 (in \$'000).

	Tray recycling		Trading		Natural Gas Vehicle ("NGV") related business		Property business		Corporate and others		Elimination <sup>(1)</sup>		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Segment revenue</b>														
Continuing operations:														
Sales to external customers	-	-	1,414	1,415	3,172	2,734	7	-	-	-	-	-	4,593	4,149
Inter-segment sales	-	-	-	-	-	-	-	-	1,440	1,110	(1,440)	(1,110)	-	-
Total revenue	-	-	1,414	1,415	3,172	2,734	7	-	1,440	1,110	(1,440)	(1,110)	4,593	4,149
Discontinued operation:														
Sales to external customers	-	-	-	-	-	535	-	-	-	-	-	-	-	535
<b>Segment results</b>														
Continuing operations	130	66	(294)	(274)	(590)	940	(78)	-	(231)	1,492	431	(2,039)	(632)	185
Discontinued operation	-	-	-	-	(241)	-	-	-	-	-	-	-	-	(241)
Finance expenses	-	-	-	-	-	-	-	-	-	-	-	-	(10)	(9)
Finance income	-	-	-	-	-	-	-	-	-	-	-	-	-	17
Loss before taxation	-	-	-	-	-	-	-	-	-	-	-	-	(642)	(48)
Tax expense	-	-	-	-	-	-	-	-	-	-	-	-	(4)	(2)
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	-	(646)	(50)



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 32. 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		Property business		Corporate and others		Elimination <sup>(1)</sup>		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Segment results</b>														
Continuing operations:														
Allowance for inventories obsolescence	-	-	-	(23)	-	(1)	-	-	-	-	-	-	-	(24)
Write-back of allowance for inventories obsolescence	-	-	23	8	-	-	-	-	-	-	-	-	23	8
Foreign exchange gain/(loss)	141	509	24	59	(36)	(103)	5	-	45	(283)	42	201	221	383
Inventories recognised as an expense in cost of sales	-	-	(799)	(811)	(2,038)	(1,622)	-	-	-	-	-	-	(2,837)	(2,433)
Operating lease expenses	-	-	(30)	(31)	-	-	-	-	(33)	(33)	-	-	(63)	(64)
Staff costs	-	-	(403)	(311)	(460)	(353)	-	-	(913)	(617)	-	-	(1,776)	(1,281)



# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 32. Segment information (cont'd)

### Segments (cont'd)

	Tray recycling		Trading		Natural Gas Vehicle ("NGV") related business		Property business		Corporate and others		Elimination <sup>(1)</sup>		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Segment results</b>														
Segment assets	23	32	6,384	6,167	2,903	3,035	2,212	-	6,821	6,213	(14,423)	(11,438)	3,920	4,009
Total assets													3,920	4,009
Segment liabilities	(9,123)	(9,109)	(7,521)	(7,008)	(9,483)	(9,006)	(2,225)	-	(5,533)	(5,303)	31,679	28,380	(2,206)	(2,046)
Total liabilities													(2,206)	(2,046)
Capital expenditure	-	-	(2)	(2)	-	-	-	-	(122)	-	-	-	(124)	(2)
Depreciation	(10)	(10)	(25)	(29)	-	-	-	-	(145)	(134)	-	-	(180)	(173)

<sup>(1)</sup> Inter-segment balances and transactions are eliminated on consolidation. In addition, adjustments were made to account for non-controlling interests.





# Notes to the Financial Statements

For the financial year ended 30 June 2018

## 32. Segment information (cont'd)

The following table presents revenue and assets information based on the geographical location of customers and assets, respectively, for the years ended 30 June 2018 and 2017 (in \$'000).

	Singapore		Malaysia		Thailand		People's Republic of China		Philippines		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>												
- Continuing operations	3,428	3,002	7	-	593	499	-	1	565	647	4,593	4,149
- Discontinued operation	-	-	-	-	-	535	-	-	-	-	-	535
Assets	1,573	2,345	2,344	1,651	3	13	-	-	-	-	3,920	4,009



# Notes to **the Financial Statements**

For the financial year ended 30 June 2018

## **33. Authorisation of financial statements for issue**

The financial statements for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 28 September 2018.



## Shareholders' Information

As at 10 September 2018

No. of Shares issued	:	688,308,796
Class of Shares	:	Ordinary Shares
Voting rights	:	1 vote per share

The Company does not have any treasury shares and subsidiary holdings as at 10 September 2018.

### STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	2	0.06	3	0.00
100 - 1,000	1,057	29.47	1,051,619	0.15
1,001 - 10,000	1,382	38.53	7,558,100	1.10
10,001 - 1,000,000	1,096	30.55	120,095,246	17.45
1,000,001 and above	50	1.39	559,603,828	81.30
<b>Total</b>	<b>3,587</b>	<b>100.00</b>	<b>688,308,796</b>	<b>100.00</b>

### TWENTY LARGEST SHAREHOLDERS AS AT 10 SEPTEMBER 2018

No.	Name of Shareholders	Number of Shares	%
1	Lim Kee Liew @ Victor Lim	185,958,469	27.02
2	Leong Lai Heng	140,934,174	20.48
3	Lin Xianglong Winchester	21,537,483	3.13
4	UOB Kay Hian Pte Ltd	14,440,000	2.10
5	Ng Chee Wee	13,977,586	2.03
6	Yareco (Private) Limited	13,650,000	1.98
7	Maybank Kim Eng Securities Pte Ltd	13,241,800	1.92
8	Ultraline Technology (S) Pte Ltd	11,699,105	1.70
9	Chew Choon Beng	9,817,035	1.43
10	Chua Teong Chung	9,000,000	1.31
11	Lee Eng Yew	7,350,000	1.07
12	Low Chor Chuan	7,098,000	1.03
13	Yap Khee Heng	6,798,100	0.99
14	DBS Nominees Pte Ltd	6,367,000	0.92
15	Wang Kai Yuen	6,226,000	0.90
16	American Converters Industries Pte Ltd	5,590,576	0.81
17	Ng Siew Ling	5,400,000	0.78
18	Tan Lye Seng	5,324,400	0.77
19	Puan Chu Liang	5,000,000	0.73
20	Tan Eng Chua Edwin	4,884,000	0.71
		<b>494,293,728</b>	<b>71.81</b>

43.80% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.



# Shareholders' Information

As at 10 September 2018

**SUBSTANTIAL SHAREHOLDERS AS AT 10 September 2018**

(As recorded in the Register of Substantial Shareholders)

Name of Shareholder		Direct Interest		Deemed Interest	
Lim Kee Liew @ Victor Lim	(a)	185,958,469	27.02%	159,479,855	23.17%
Leong Lai Heng	(b)	140,934,174	20.48%	204,504,150	29.71%

## 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 141,694,174 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 186,454,469 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, 26 October 2018 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 2018 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr Cheah Wee Teong, a Director of the Company retiring pursuant to Article 89 of the Constitution of the Company. **(Resolution 2)**  
  
*Mr. Cheah will, upon re-election as a Director of the Company, remain as Chairman of the Nominating and Remuneration Committees 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.*
3. To note the retirement of Mr Teo Kio Choon @ Chang Chiaw Choon pursuant to Article 89 of the Company’s Constitution at the conclusion of the Annual General Meeting.  
[See Explanatory Note (i)]
4. To approve the payment of Directors’ fees of S\$56,000 for the financial year ended 30 June 2018 (2017: S\$56,000). **(Resolution 3)**
5. 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 4)**
6. 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:

#### 7. Authority to issue shares

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

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

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



## Notice of Annual General Meeting

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

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of any convertible securities;
- (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalyst 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 (ii)]

**(Resolution 5)**

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

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

[See Explanatory Note (iii)]

**(Resolution 6)**



## Notice of Annual General Meeting

To consider and if thought fit, to pass the following resolution as a Special Resolution, with or without any modifications:

### 9. Amendments to the Constitution

- (a) That the Constitution of the Company be amended in the following manner where text in strikethrough indicates deletions and underlined text indicates additions to the Constitution of the Company:

- (i) The existing Article 84 be amended as follows:

The Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places. Where an appointment is for a fixed term such term shall not exceed ~~five~~ three years.

- (ii) The existing Article 85 be deleted in its entirety:

~~A Managing Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors but he shall, subject to the provision of any contract between him the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause he shall *ipso facto* and immediately cease to be a Managing Director.~~

- (iii) The existing Article 89 be amended as follows:

At each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. ~~Provided that no Director holding office as Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire.~~ For the avoidance of doubt, each Director (other than a Director holding office as Managing Director) shall retire at least once every three years.

- (b) That the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Special Resolution.

[See Explanatory Note (iv)]

**(Resolution 7)**

By Order of the Board

Toh Li Ping, Angela  
Company Secretary  
Singapore, 3 October 2018



# Notice of Annual General Meeting

## Explanatory Notes:

- (i) Item 3 above is to note the retirement of Mr Teo Kio Choon @ Chang Chiaw Choon who is retiring pursuant to Article 89 of the Company's Constitution and not seeking re-election and shall retire as an Independent Director of the Company at the conclusion of this Annual General Meeting. Accordingly, he will step down as a member of the Audit Committee.
- (ii) The Ordinary Resolution 5 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, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro rata basis to shareholders.

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

- (iii) The Ordinary Resolution 6 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in aggregate (for the entire duration of the Scheme) twenty five per centum (25%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
- (iv) The Special Resolution 7 in item 9 above is to amend the Constitution in order to comply with the new Rule 720(4) of the Listing Manual – Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited effective 1 January 2019 whereby an Issuer must have all directors submit themselves for re-nomination and re-appointment at least once every three years.

## 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			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Orchid Country Club, Emerald Suite, 1 Orchid Club Road, Singapore 769162 on Friday, 26 October 2018 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 <sup>(1)</sup>	Number of Votes Against <sup>(1)</sup>
<b>Ordinary Resolutions</b>			
1	Directors' Statement and Audited Financial Statements for the year ended 30 June 2018 together with Auditors' Report thereon		
2	Re-election of Mr. Cheah Wee Teong as a Director		
3	Approval of Directors' fees amounting to S\$56,000		
4	Re-appointment of Messrs Ernst & Young LLP as Auditors		
5	Authority to issue new shares		
6	Authority to issue shares under the Asian Micro Employees' Share Option Scheme 2010		
<b>Special Resolution</b>			
7	Amendments to the Constitution		

<sup>(1)</sup> 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 \_\_\_\_\_ 2018

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 3 October 2018.

**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](http://www.asianmicro.com.sg)