



ASIAN MICRO HOLDINGS LIMITED



**ANNUAL
REPORT 2022**



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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”).

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 Ms Bao Qing. - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE

Lim Kee Liew @ Victor Lim
Chief Executive Officer and Group Managing Director

Ng Chee Wee
Executive Director and Chief Financial Officer

NON-EXECUTIVE

Cheah Wee Teong
Independent Non-Executive Chairman

Chue Wai Tat
Lead Independent Director

Lee Teck Meng Stanley
Independent Director

AUDIT COMMITTEE

Chue Wai Tat
Chairman

Cheah Wee Teong
Lee Teck Meng Stanley

NOMINATING COMMITTEE

Cheah Wee Teong
Chairman

Chue Wai Tat
Lee Teck Meng Stanley

REMUNERATION COMMITTEE

Cheah Wee Teong
Chairman

Chue Wai Tat
Lee Teck Meng Stanley

COMPANY SECRETARIES

Abdul Jabbar Bin Karam Din
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://asianmicro.listedcompany.com/>

BANKERS

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

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay
#24-02, Singapore 048580

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower
Level 18
Singapore 048583
Partner-in-charge: Philip Ling Soon Hwa
(Date of appointment: Since financial year ended 30 June 2021)



Corporate Profile

Asian Micro Holdings Limited

(listed in the SGX-SESDAQ, now known as SGX-ST Catalist Board; since September 1999), are engaged in the provision of Compressed Natural Gas (“**CNG**”) supply and related products & services, providing clean room grade plastic packaging bags and materials for packaging cleaned finished products in the hard disk drive and semiconductor industries, leasing of commercial properties and property development.

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 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 2022 (“FY2022”).”



Overview

The Group faced a challenging business environment in FY2022 and the unexpected surge in COVID-19 variants globally and outbreak of war between Russia and Ukraine have caused disruptions to global economic condition as well as volatile currency and oil price movements.

During the year, the Company entered into a conditional sale and purchase agreement (“**SPA**”) with the Vendors, who is Director and associates of the Director, to acquire ordinary shares of a Target Company representing 40.0% of the total issued share capital of the Target Company, based on the terms and conditions of the SPA. The SPA subsequently lapsed on 30 June 2022 (“**Long Stop Date**”) as not all Conditions have been satisfied. The Company also entered into a conditional novation and debt capitalisation agreement (“**Debt Capitalisation Agreement**”) with the Company’s subsidiaries and the participating creditors for the

(i) novation; and (ii) proposed capitalisation and conversion of the participating debts. The Company agreed to, subject to the shareholders’ approval, to allot and issue an aggregate of 40,349,506 new shares by way of conversion shares pursuant to the terms of the Debt Capitalisation Agreement.

The Group’s consolidated revenue increased by \$0.94 million from \$3.83 million for the financial year ended 30 June 2021 (“**FY2021**”) to \$4.77 million in FY2022. The increase in revenue was mainly due to higher revenue generated from the manufacturing and trading and NGV related businesses by the Singapore subsidiaries.

A net loss of \$0.17 million was recorded by the Group in FY2022 as compared to a net loss of \$0.61 million in FY2021. This was mainly due to (i) higher revenue and gross profit generated for FY2022, (ii) lower unrealised exchange loss arising

Chairman's Message

from recorded monetary balances denominated in foreign currencies and (iii) waiver of director's remuneration.

As at 30 June 2022, the Group's net tangible assets was \$2.32 million, compared to \$2.49 million as at 30 June 2021.

Looking Ahead

As announced on 31 August 2022, the Company entered into a new SPA with the Vendors to acquire ordinary shares of a Target Company representing 30.0% of the total issued share capital of the Target Company, on the terms and conditions of the new SPA ("**Proposed Acquisition**"). In connection with the Proposed Acquisition, the Company was granted an option to acquire an additional 10.0% of the total issued share capital of the Target Company.

The Group's businesses are expected to remain challenging for the financial year ending 30 June 2023 ("**FY2023**") mainly due to global economic uncertainties as a result of the lingering impact of the COVID-19 pandemic and outbreak of war between Russia and Ukraine. Despite the challenging market condition in which the businesses operate, the Group continues to focus on its operational efficiency, cost control, cash conservation and ensuring sustainability of its existing businesses.

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 37 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 FY2022 and we are looking forward to your strong support to help us to achieve a better FY2023 and beyond.

Last, but not least, I would like to thank all staff and management for their dedicated services and support to the Group as we work together to overcome the unprecedented challenges.

Mr. Cheah Wee Teong

Independent Non-Executive Chairman

28 September 2022

Board Of Directors



Board Of Directors

1. Mr. Lim Kee Liew @ Victor Lim

Mr. Lim Kee Liew @ Victor Lim was appointed as a Director of the Company on 18 February 1997. He is the Chief Executive Officer (“**CEO**”) since 15 August 2003 and Group Managing Director since 16 December 1999. He was appointed as the Executive Chairman since 24 October 2012 till 31 December 2021. 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 responsible for setting up several MNCs’ Hard Disk Drive companies, namely Tandon (S) Pte Ltd, Computer Memories (Far East) Ltd and Micropolis Ltd from 1983 to 1989.

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.

Victor Lim holds a Diploma in Production Engineering from Singapore Polytechnic, City and Guild Full Technological Certificate (Mechanical Engineering), Master of Business Administration (MBA) from Singapore Management University (SMU), Master of Science (Real Estate) from National University of Singapore (NUS) and Graduate Certificate in International Arbitration from NUS.

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 on 6 May 2011 and re-designated as Chief Financial Officer (“**CFO**”) on 8 February 2017. He oversees the Group’s finance, accounting, treasury, legal, tax, corporate secretarial, regulatory compliance and human resources functions.

Mr. Ng has more than 20 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. Cheah Wee Teong

Mr. Cheah Wee Teong was appointed as an Independent Director of the Company on 1 December 2015 and subsequently appointed as Independent Non-Executive Chairman of the Board on 1 January 2022. He is currently the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. Mr. Cheah has more than 25 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 Singapore Institute of Directors (SID).

Board Of Directors

4. Mr. Chue Wai Tat

Mr. Chue Wai Tat was appointed as an Independent Director of the Company on 6 July 2011 and subsequently appointed as the Lead Independent Director of the Company on 24 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 is a Fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Singapore Chartered Accountants (ISCA).

5. Mr. Lee Teck Meng Stanley

Mr. Lee Teck Meng Stanley was appointed as a Non-Executive and Non-Independent Director of the Company on 24 August 2016 and re-designated as an Independent Director on 21 August 2018. He is a member of the Audit, Nominating and Remuneration Committees. Mr. Lee is currently the Managing Director of Royal Oaks Investment Pte Ltd. Previously, he held the position of the 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 mergers and acquisitions, 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 Lim Kee Liew @ Victor Lim (CEO and Group Managing Director).



Mr. Phan Guo Yee

Mr. Phan Guo Yee is the Financial Controller of the Group 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 had completed the Association of Chartered Certified Accountants (ACCA) courses in 2009 and is a Fellow member of the ACCA and a member of the Institute of Singapore Chartered Accountants (ISCA).



Mr. Koh Lye Seng Eric

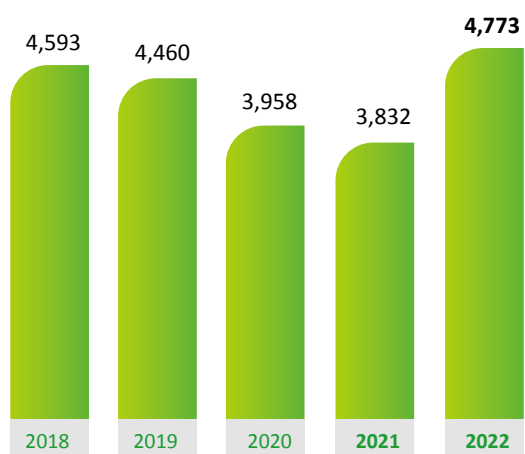
Mr. Koh Lye Seng Eric is the Chief Operating Officer of the Group and is responsible for the operation, and the development of CNG and LNG related projects and services. In addition, he was responsible for the operation of the clean room plastic packaging bags and materials for the hard disk drive industries. 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

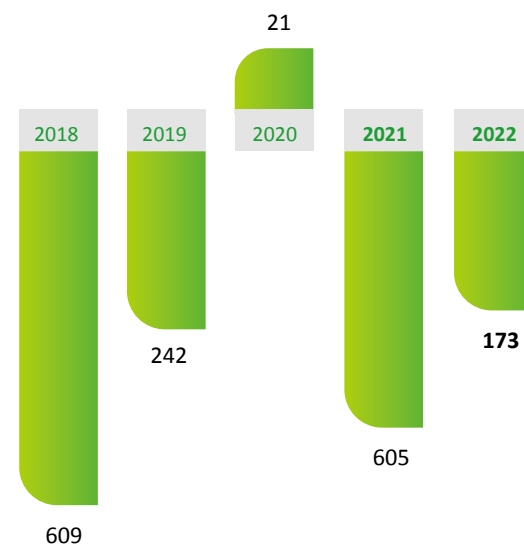
	2018	2019	2020	2021	2022
	\$'000	\$'000	\$'000	\$'000	\$'000
RESULTS					
Revenue	4,593	4,460	3,958	3,832	4,773
(Loss)/profit from operations before taxation and non-controlling interests ("NCI")	(641)	(246)	355	(606)	(162)
Taxation	(4)	(6)	(4)	(4)	(5)
Net (Loss)/profit from operations after taxation but before NCI	(645)	(252)	351	(610)	(167)
Attributable to :					
Owners of the Company	(609)	(242)	21	(605)	(173)
Non-controlling interests	(36)	(10)	330	(5)	6
FINANCIAL POSITION					
Non-current assets	734	647	763	593	502
Current assets	3,186	2,981	3,035	3,450	3,447
Current liabilities	(2,169)	(1,739)	(1,978)	(1,452)	(1,554)
Net current assets	1,017	1,242	1,057	1,998	1,893
Non-current liabilities	(38)	(1)	(87)	(104)	(70)
REPRESENTING					
Equity attributable to owners of the Company	1,595	1,799	1,588	2,326	2,156
Non-controlling interests	119	89	145	161	169
(LPS)/EPS after Taxation & NCI (Singapore Cents)	(0.10)	(0.03)	0.002	(0.043)	(0.011)
NTA per Share (Singapore Cents)	0.25	0.18	0.16	0.16	0.15

Financial Highlights

REVENUE (\$'000)



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



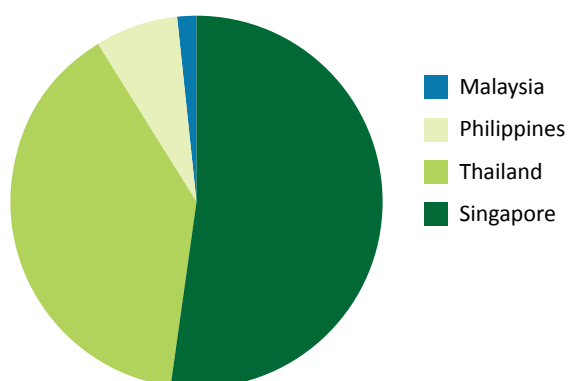
REVENUE BY REGION IN FY2022 (\$'000)

Singapore	2,661
Thailand	1,817
Philippines	280
Malaysia	15
	4,773

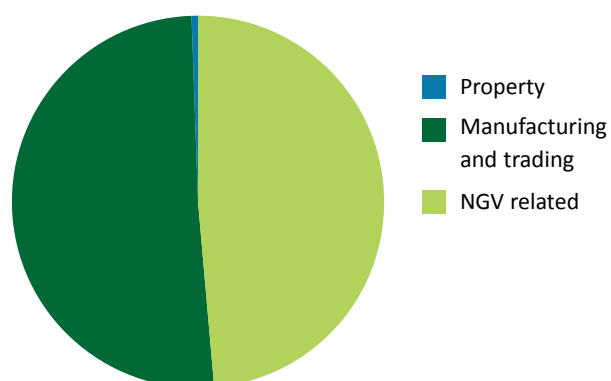
REVENUE BY BUSINESS ACTIVITIES IN FY2022 (\$'000)

NGV related	2,431
Manufacturing and trading	2,327
Property	15
	4,773

REVENUE BY REGION IN FY2022



REVENUE BY BUSINESS ACTIVITIES IN FY2022



Achieve A Better Beyond



Report on Corporate Governance

Asian Micro Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) 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 Code of Corporate Governance 2018 (the “**Code**”), guideline 2.4 of the Code of Corporate Governance 2012 which is applicable prior to 1 January 2022 (“**2012 Code**”), and where applicable, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”), the Companies Act 1967 of Singapore (“**Companies Act**”) and the Audit Committee Guidance Committee Guidebook, focusing on areas such as internal controls, risk management, financial reporting, internal and external audits. The Company has complied in all material respects with the principles and provisions in the Code. Where there is any deviation from any provisions of the Code, an explanation has been provided in this report for the variation and how the practices adopted by the Group are consistent with the intent of the relevant principle. This report should be read in totality, rather than read separately under each principle of the Code.

BOARD MATTERS

Principle 1 Board’s Conduct of its Affairs

The principal functions of the Board of Directors (the “**Board**”), apart from its statutory responsibilities include:

- (a) approving the Group’s corporate policies, financial objectives and direction of the Group and monitoring performance of Management;
- (b) approving annual budgets, key operational issues, major funding and investment proposals;
- (c) setting overall strategies and supervision of the Group’s businesses and affairs and consider sustainability issues as part of its strategic formulation;
- (d) setting 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) reviewing the financial performance of the Group;
- (f) approving nominations of Directors and appointment to the various Board committees and key management personnel (as defined in the Code);
- (g) approving the remuneration packages and/or service agreements for the Directors who have an executive role in the Company and other key management personnel, taking into consideration the recommendations of the Remuneration Committee (“**RC**”); and
- (h) assuming responsibility for corporate governance.

Provision 1.1 – Director’s conflict of interest

All Directors of the Board exercise due diligence and independent judgement in discharging their duties and responsibilities at all times as fiduciaries and act objectively in the interests of the Company.

All Directors are required due care and to maintain the confidentiality of information entrusted to them by the Company and carry out their responsibilities in compliance with applicable laws, rules and regulations.

The Company has in place an internal Code of Best Practices on Securities Transactions (“**Securities Transactions Code**”) that the Company’s Directors and its officers must not trade in its securities within the “closed” window period or deal with its securities on short-term considerations as well as while they are in possession of non-public materially price-sensitive or trade-sensitive information.

Report on Corporate Governance

Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict. They are also required to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group. Where a Director has a conflict of interest, or it appears that he might have a conflict of interest, in relation to any matter, he is required to declare such interest at a meeting of the Directors (or in written resolutions to be passed), and recuse himself from participating in any discussion and decision on the matter. Where relevant, the Directors have complied with such requirement, and such compliance is duly recorded in the minutes of meeting and/or Directors' Resolutions in writing.

Provision 1.2 – Induction and training of Directors

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 Management. Newly appointed Directors, if any, 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 Company did not appoint any new Director and/or first-time Director during the financial year ended 30 June 2022 (“FY2022”).

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.

Pursuant to Rule 720(6) of the Catalist Rules effective 1 January 2022, all Directors of the Company must undergo training on sustainability matters as prescribed by the SGX-ST. If the Nominating Committee (“NC”) is of the view that training is not required because the Director has expertise in sustainability matters, the basis of its assessment must be disclosed. The Company is required to confirm in its sustainability report for the financial year ending 30 June 2023 that all its Directors have attended the mandatory training on sustainability. Accordingly, the Company is in the midst of arranging for its Directors to attend the mandatory training on sustainability training by 30 June 2023.

Provision 1.3 – Matters requiring Board's approval

The types of material transactions that require board approval include, but are not limited to, the following:

- (a) Approval of financial statements' announcements and audited financial statements;
- (b) Approval of interested person transactions;
- (c) Convening of shareholders' meetings;
- (d) Declaration of interim dividends and proposal of final dividends;
- (e) Approval of corporate strategy;
- (f) Authorisation of merger and acquisition transactions;
- (g) Authorisation of major transactions; and
- (h) Establishment of the various Board Committees (including its composition and terms of reference).

In addition, the matters set out in item 9 of Appendix 7A of the Catalist Rules (as may be amended from time to time) shall also be reserved for the Board's decision.

Report on Corporate Governance

Provision 1.4 – Delegation by the Board

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

Each Board Committee reports to the Board and has its own written terms of reference and whose actions are reported to and monitored by the Board. The written terms of reference of each Board Committee set out the relevant authority delegated by the Board for such committee to make decisions. These terms of reference also set out the conduct of meetings including quorum, voting requirements and qualifications for Board Committees’ membership. Each Board Committee will review its term of reference from time to time to ensure relevance. Board approval is required for any changes to the terms of reference for any Board Committee.

The Board acknowledges that while each Board Committee is authorised to decide or provide its recommendations on particular issues, the ultimate responsibility for the decisions on all matters lies with the Board.

Name of Director	Position	Date of Appointment	Date of last re-election	Board Committee Membership		
				AC	NC	RC
Cheah Wee Teong	Independent Non-Executive Chairman and Independent Director ⁽¹⁾	1 December 2015	23 October 2020	Member	Chairman	Chairman
Lim Kee Liew @ Victor Lim	CEO and Group Managing Director ⁽¹⁾	18 February 1997	22 October 2021	–	–	–
Ng Chee Wee	Executive Director and Chief Financial Officer (“ CFO ”)	6 May 2011	23 October 2020	–	–	–
Chue Wai Tat	Lead Independent Director	6 July 2011	22 October 2021	Chairman	Member	Member
Lee Teck Meng Stanley	Independent Director	24 August 2016	18 October 2019	Member	Member	Member

(1) Mr. Cheah Wee Teong, Independent Director, was appointed as the Independent Non-Executive Chairman in place of Mr. Lim Kee Liew @ Victor Lim who resigned as the Executive Chairman of the Company with effect from 1 January 2022. Following of Mr. Lim Kee Liew @ Victor Lim’s resignation, he remained as the CEO and Group Managing Director.

No alternate Director was appointed to the Board during FY2022.

Provision 1.5 – Board processes, including Directors’ attendance at meetings

The Board meets regularly, both formally and informally, and as frequent as warranted by particular circumstances. Ad-hoc meetings are convened as and when required. The Company’s Constitution and/or written terms of reference allows Board and Board Committee meetings to be conducted by way of telephone or video conference and other similar means of communication whereby all persons participating in the meeting are able to communicate as a group, without requiring the Directors’ physical presence at the meeting. The Board and Board Committees may also make decisions through circulating resolutions.

Report on Corporate Governance

The number of Board and Board Committee meetings and general meetings, i.e. annual general meeting (“**AGM**”), held from 1 July 2021 to 30 June 2022, as well as the attendance of every Board member at these meetings are disclosed in the table below:

	AGM	Board Meeting	AC	NC	RC
No. of meetings held:	1	2	2	1	1
Name of Directors:					
Cheah Wee Teong	1	2	2	1	1
Lim Kee Liew @ Victor Lim	1	2	-	-	-
Ng Chee Wee	1	2	-	-	-
Chue Wai Tat	1	2	2	1	1
Lee Teck Meng Stanley	1	2	2	1	1

Provision 1.6 – Complete, adequate and timely information

Board members are provided with adequate and timely information prior to Board meetings, and on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities.

The Executive Directors and Management keep the Board informed of the Group’s business and performance through regular updates and reports as well as through informal discussions. In order to ensure that the Board is able to discharge its responsibilities effectively, detailed Board Committee/Board papers are prepared for each Board Committee/Board meeting and are distributed to the relevant Directors at least three working days prior to the meeting, save in the case of any ad hoc or urgent 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 Executive Directors and Management are present at Board and Board Committee meetings to address any queries that the Board may have.

Any additional material or information requested by the Directors is promptly furnished. The Board has separate and independent access to the Company’s senior management and the Joint Company Secretaries to address any enquiries at all times.

Provision 1.7 – Company Secretaries and independent professional advice

Directors have separate and independent access to the Joint Company Secretaries. The Joint Company Secretaries or their representative(s) attend and prepare minutes for all Board meetings and are responsible for ensuring that Board procedures are followed. The Joint Company Secretaries ensure that the Company complies with the requirements of the Companies Act. Together with the Management of the Company, the Joint Company Secretaries are responsible for compliance with all other SGX-ST rules and regulations, which are applicable to the Company.

Under the Constitution of the Company, the appointment or the removal of the Company Secretary are subject to the Board’s approval.

In addition, the Board may seek 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.

Report on Corporate Governance

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 (CEO and Group Managing Director)
Mr. Ng Chee Wee (Executive Director and CFO)

Independent Directors

Mr. Cheah Wee Teong (Independent Non-Executive Chairman)
Mr. Chue Wai Tat (Lead Independent Director)
Mr. Lee Teck Meng Stanley

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

Provisions 2.1 and 4.4 – Directors' independence review

An “independent” Director is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

The Board, with the concurrence of the NC, had adopted a declaration of independence pursuant to provision 2.1 of the Code and Rules 406(3)(d) of the Catalist Rules (“**Confirmation of Independence**”).

Based on the Confirmation of Independence submitted by the Independent Directors and the results of the NC's review, the NC was of the view that each Independent Director is independent in accordance with both Catalist Rules and the Code. Further details on the review of Directors' independence by the NC are set out in Provision 4.4 below.

Provisions 2.2 and 2.3 – Composition of (i) Independent Director and (ii) Non-Executive Directors on the Board

The Board comprises two Executive Directors and three Non-Executive Directors, all of whom are independent.

No individual or select group of individuals dominates the Board's decision-making process as a majority of the Board (60%) is made up of Independent Directors. Accordingly, there is a strong and independent element on the Board and the Company complies with provisions 2.2 and 2.3 of the Code.

Provision 2.4 - Composition of the Board and Board Committees, and Board Diversity Policy

The Company is committed to building a diverse, inclusive and collaborative culture. It recognises that a diverse Board of an appropriate size is an important element which will better pave the way for the Company to achieve its strategic objectives for sustainable development, avoid groupthink and foster constructive debate. A diverse Board also enhances decision-making process through the perspectives derived from differentiating skillsets, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

Each year, the NC reviews the size and composition of the Board and Board Committees and the skills and core competencies of its members to ensure an appropriate balance and mix of skills, knowledge, experience and gender, with a strong element of independence.

Pursuant to provision 2.4 of the Code, the Board has adopted a Board Diversity Policy (“**Policy**”). Having regard to the guidelines in the Policy, the NC will, take into account, including but not limited to gender, age, nationality, ethnicity, cultural background, educational background, experience, skillsets, knowledge, independence and length of service, in reviewing the Board's composition. These differentiating factors will be considered in determining the optimum composition of the Board and when possible, will be balanced appropriately.

Report on Corporate Governance

Any external search consultants, if required, engaged to assist the Board or the NC to search for candidates for appointment to the Board will be specifically directed to include diverse candidates from diverse background and female candidates. The decision on the selection of Director(s) to be appointed on the Board will ultimately be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity balanced with the needs of the Board.

The NC is of the view that the current Board and its committees comprise 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. Information on the individual Directors' academic, professional qualifications, background and other appointment are set out in the "Board of Directors" section on pages 6 to 8 of the Annual Report.

The Board, through the NC, has reviewed its composition of Directors and is satisfied that the current 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 determine 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, with the concurrence of the NC, is of the view that its current structure and size, consisting of five 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.

The NC will review the Policy from time to time as appropriate, to ensure the effectiveness of this Policy. The NC will also discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

Provision 2.5 – Role of the Non-Executive Directors

The Non-Executive Directors of the Company (including, for avoidance of doubt, the Independent Directors) constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of the Group's business and financial performance. When challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and/or other complexities.

All the Independent Directors, led by the Lead Independent Director, meet frequently without the presence of the Executive Directors and other Non-Independent Directors to discuss matters of significance which findings, if any, are then reported to the Chairman of the Board accordingly.

The Independent Directors are also in frequent contact with one another outside the Board and Board Committees' meetings and hold constant informal discussions amongst themselves. Any feedback would be provided to the Board and/or Chairman of the Board as appropriate.

Principle 3 Chairman and Chief Executive Officer

Provisions 3.1 and 3.2 – Chairman and CEO

Mr. Lim Kee Liew @ Victor Lim currently assumes the role of the CEO. Mr. Cheah Wee Teong was appointed as the Independent Non-Executive Chairman in place of Mr. Lim Kee Liew @ Victor Lim who resigned as the Executive Chairman with effect from 1 January 2022, to keep the roles of the Chairman and the CEO separate to ensure a clear division of responsibilities, balance of power and authority, increased accountability and greater capacity for independent decision making at the Board and Management levels.

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As the Chairman, Mr. Cheah Wee Teong bears responsibility for the conduct of the Board. The responsibilities of the Chairman include:

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

As the CEO, Mr. Lim Kee Liew @ Victor Lim 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, an Executive Director of the Company.

Mr. Cheah Wee Teong and Mr. Lim Kee Liew @ Victor Lim do not have any familial relationship.

Provision 3.3 – Lead Independent Director

In line with the provision 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 and aids the Independent Directors: (i) on constructive discussion with Management; (ii) to assist Management in developing goals and objectives; and (iii) to review and monitor Management performance.

Led by the Lead Independent Director, the Independent Directors meet periodically without the presence of other Directors. The Lead Independent Director is available to shareholders who have concerns when contact through the normal channels of the Chairman and CEO, Executive Directors or CFO, has failed to resolve or for which such contact is inappropriate.

Principle 4 Board Membership

Provisions 4.1 and 4.2 – NC's duties and composition

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	–	NC Member

The Lead Independent Director, Mr. Chue Wai Tat, is a member of the NC.

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The principal functions of the NC and the activities it has undertaken for FY2022 are:

- (a) to view Board succession plans for Directors, in particular, the appointment and/or replacement of the Chairman of the Board, the CEO and key management personnel;
- (b) to identify candidates, review nominations for both appointment and re-appointment/re-election of the Directors to the Board for its approval;
- (c) 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;
- (d) to review the independence of each Director annually;
- (e) to assess the effectiveness of the Board Committees and the Board as a whole, and the contribution by each Director to the effectiveness of the Board;
- (f) to review training and professional development programmes for the Board;
- (g) to decide how the performance of the Board may be evaluated and to propose objective performance criteria;
- (h) to report to the Board its findings from time to time on matters arising and requiring the attention of the NC; and
- (i) to undertake such other reviews, projects, functions, duties and responsibilities as may be requested by the Board.

Provision 4.3 – Process for selection and appointment of new Directors

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.

In its search and nomination process for new Directors, the Management/NC has, at its disposal, search companies, personal contacts and recommendations, to cast its net as wide as possible for the right candidates, taking into consideration, the criteria set out in (b) above. The Board will review the recommendations and approve the appointment(s) as appropriate. Any appointment(s) to Board Committees would be reviewed and approved at the same time. Such appointment(s) would be formalised by circular resolutions and the requisite announcement and notification to the relevant authorities. Where and when required, the Company may also appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment involves specific skill sets or industry specialisation.

No external search consultant was engaged and there was no new Director appointed during FY2022.

Provision 4.3 - Process for re-election/re-appointment of Directors

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 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.

Effective 1 January 2022, Rule 406(3)(d)(iii) of the Catalist Rules provides that a Director will not be independent if he has been a Director for an aggregate period of more than nine (9) years (whether before or after listing) and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the Directors and CEO of the issuer, and associates of such Directors and CEO (the "Two-

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Tier Voting). For the purpose of the resolution referred to in (B), the Directors and CEO of the issuer, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions approved by a Two-Tier Voting may remain in force until the earlier of the following: (X) the retirement or resignation of the Director; or (Y) the conclusion of the third AGM of the issuer following the passing of the resolutions.

During FY2022, Mr. Chue Wai Tat had served as Independent Director of the Company for a period exceeding nine years from the date of his appointment. The Board had conducted a rigorous review of the independence of Mr. Chue Wai Tat to determine if he remains independent and carries out his duties objectively, taking into consideration the need for progressive refreshing of the Board. The Board noted that he is not a member of the Management and is free of relationship with the Company, its related companies, officers or its substantial shareholders of the Company that could interfere with his independent judgement or ability to act in the interest of the Company.

The Board had also observed the performance of Mr. Chue Wai Tat at Board meetings and other occasions and has no reasons to doubt his independence in the course of discharging his duties as a Director. Hence, the Board concurred with the NC's view that he is independent in character and judgement despite having been on the Board for more than nine years. Mr. Chue Wai Tat regularly expressed his individual viewpoints, debated issues and objectively scrutinised and challenged the Management. He has also on various occasions, taken the initiative to seek clarification and amplification as they deemed required.

Pursuant to Transitional Practice Note 2 Transitional Arrangements Regarding Code of Corporate Governance 2018 of the Catalist Rules which is effective from 1 January 2022 ("**Transitional Practice Note 2**"), to ensure that the independence designation of a Director who has served for more than 9 years as at and from 1 January 2022 is not affected, the Company had sought and obtained approvals from shareholders under the Two-Tiered Voting at the AGM of the Company for the financial year ended 30 June 2021 which was held on 22 October 2021, for the continued appointment of Mr. Chue Wai Tat. In accordance with Rule 406(3)(d)(iii) of the Catalist Rules, such approvals will remain valid until the conclusion of the third AGM from such approvals.

When considering the Directors to be nominated for re-election, the NC will evaluate the performance of the Director by considering amongst other things, his or her attendance record at meetings of the Board and Board Committees, level of preparedness, intensity of participation and candour at these meetings and the quality of his or her contributions.

The NC had recommended to the Board the re-election of the following Directors pursuant to Article 89 of the Constitution at the forthcoming AGM:

- (i) Mr. Ng Chee Wee; and
- (ii) Mr. Lee Teck Meng Stanley.

In recommending the re-election of the incumbent Directors, the Board, with the concurrence of the NC, had considered the attendance and participation by (i) Mr. Ng Chee Wee and (ii) Mr. Lee Teck Meng Stanley at Board and Board Committees' meetings as well as Board processes, in particular, Mr. Ng Chee Wee's contributions to the business and operations of the Company and taken into account Mr. Lee Teck Meng Stanley's track record, experience and capabilities to, amongst others, provide insight and guidance to the Group's business and strategies.

All the retiring Directors have consented to continue in office and the Board had accepted the recommendation of the NC and accordingly, the above Directors will be offering themselves for re-election. Mr. Ng Chee Wee and Mr. Lee Teck Meng Stanley had abstained from making recommendations on their own nominations.

The information relating to Mr. Ng Chee Wee and Mr. Lee Teck Meng Stanley as required under Rule 720(5) of the Catalist Rules is set out on pages 35 to 37 of the Annual Report.

Guideline 2.4 of the 2012 Code and Provision 4.4 of the Code - Review of Directors' independence

The NC determines the independence of each Director annually. Each Independent Director is required to complete a Confirmation of Independence form annually to confirm his independence, which is deliberated upon by the NC and the Board. The NC will then review the form completed by each Independent Director to determine whether the Director is independent.

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The Board reviews and determines whether each Director is independent, taking into account the views of the NC and any existence of relationship or circumstances, including those identified in the Code and the Catalist Rules, that are relevant in its determination as to whether a Director is independent.

The NC had considered the Confirmation of Independence forms submitted by Mr. Cheah Wee Teong, Mr. Chue Wai Tat and Mr. Lee Teck Meng Stanley 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 CEO and Group Managing Director) and his spouse, Mdm. Leong Lai Heng (a Controlling Shareholder and a Director of the subsidiaries of the Company). In the current or immediate past financial year, 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 substantial 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. The NC undertakes a rigorous review of the independence of Mr. Lee Teck Meng Stanley, taking into account, his contributions and objective judgements without vested interest or conflict of interest at the Board and Board Committees' meetings, circumstances and the substance of his independence. For good corporate governance, Mr. Lim Kee Liew @ Victor Lim had also abstained and recused himself from participating from all discussions on the review of independence of Mr. Lee Teck Meng Stanley.

Mr. Chue Wai Tat has served on the Board for a period exceeding nine years from the date of his first appointment. The NC had conducted a rigorous review of his independence and contributions to the Board to determine if he still remain independent and carry out his duties objectively, taking into account the need for progressive refreshing of the Board. The review included but was not limited to the completion of a detailed questionnaire of his independence with a mixture of close-ended and open-ended questions in respect of whether there are any conflicts of interest or relationship that is/are likely to affect his independence; whether he continues to express his views objectively and seek clarification and amplification when deemed necessary; whether he continues to debate issues objectively; whether he continues to scrutinise and challenge Management on important issues raised at meetings and whether he is able to bring judgement to bear in the discharge of his duties as a Board member and committee member. The questionnaire was completed by Mr. Chue Wai Tat.

The Board had observed the performance of Mr. Chue Wai Tat at Board meetings and other occasions and has no reasons to doubt his independence in the course of discharging his duties. Hence, the Board concurred with the NC's view that he is independent in character and judgement despite having been on the Board for more than 9 years. The Board acknowledges his combined strength of characters, objectivity and wealth of useful and relevant experience bring himself to continue effectively as an Independent Director of the Company. The Board also acknowledges and recognises the benefits of the experience and stability brought by the long-serving Independent Director and wishes to retain him for his strength of character, objectivity and wealth of extensive business experience, and his knowledge on the Group's business which would enable him to be an effective Independent Director, notwithstanding his long tenure.

Each of the Independent Director had recused themselves from the NC's and Board's deliberations on their own independence.

Provision 4.5 - Directors' time commitments and multiple Directorships

The NC determines if a Director is able to and has been adequately carrying out his duties as Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

None of the Directors of the Company has any other listed company board representation for FY2022. The principal commitment of the Directors, if any, is set out in the "Board of Directors" section in this Annual Report. 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.

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Principle 5 Board Performance

Provisions 5.1 and 5.2 – Assessments of the Board, Board Committees and individual Directors

The Board has implemented a process carried out by the NC, for assessing the effectiveness of the Board as a whole and individual Directors on an annual basis. In evaluating the Board's, Board Committees' and self-assessment of each individual Director's performance, the NC considers a comprehensive set of quantitative and qualitative performance criteria that has been approved by the Board.

For FY2022, the performance evaluation on the effectiveness of the Board as a whole was carried out to assess and evaluate amongst other things, the (A) Board's composition, (B) Board Information, (C) Board Process, Internal Control & Risk Management, (D) Board Accountability, (E) CEO / Top Management, and (F) Standards of Conduct.

The NC has also conducted an assessment on the self-assessment of each individual Director where each Director is required to complete his self-evaluation based on the (1) Understanding of Company's mission, vision and values; (2) Corporate governance knowledge; (3) Business development efforts; (4) Training attendance; (5) Met targets set by Board (for Executive Director only) or maintenance of independence (for Independent Director only) and/or devotion of sufficient time (for Non-Executive Director only) as well as his contributions and focus areas.

The Chairman of the respective Board Committees are also required to complete a questionnaire on the effectiveness of these Board Committees.

The completed assessments/questions are submitted to the Company Secretary for collation and the consolidated responses and findings are analysed and discussed at the NC meeting before submitting to the Board for further discussion with a view to implementing certain recommendations to further enhance the effectiveness of the Board and the Board Committees.

The NC was generally satisfied with the results of the evaluation for the performance of the (i) Board, (ii) individual Directors and (iii) respective Board Committees, for FY2022 which indicated areas of strengths and those that could be improved further. No significant problems were identified. The NC had discussed the results with Board members and/or the respective Board Committees, who agreed to work on those areas that could be improved further. The NC would continue to evaluate the process for such review and its effectiveness from time to time.

To improve the Board's performance, the NC encourages all Directors to attend relevant courses, the expense of which will be borne by the Company. These include courses conducted by the SGX-ST and other relevant courses in Singapore. The NC is also supportive of any Directors who wish to attend any diploma or certified courses such as those organised by the Singapore Institute of Directors.

To-date, no external facilitator has been used.

REMUNERATION MATTERS

Principle 6 Procedures for Developing Remuneration Policies

Provisions 6.1 and 6.2 – RC's duties and composition

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	–	RC Member

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.

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The principal responsibilities of the RC and the activities it has undertaken for FY2022 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**").

Provisions 6.3 and 6.4 – Remuneration framework and engagement of remuneration consultants, if any

The recommendation of the RC for the remuneration of Directors would be submitted for endorsement by the Board and should cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind. The RC's recommendations were made in consultation with the Chairman of the Board and none of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to him/her.

The RC also 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 Executive 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.

For FY2022, there were no termination, retirement and post-employment benefits granted to Directors and the top three key management personnel (who are not Directors or the CEO).

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.

Principle 7 Level and Mix of Remuneration

Principle 8 Disclosure on Remuneration

Provisions 7.1 to 7.3 and provision 8.3 – Level and mix of remuneration

The level and structure of remuneration of the Board and key management personnel is designed to be appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the strategic objectives of the Group.

Framework for remuneration of Executive Directors and other key management personnel

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.

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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 taking 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.

To ensure that the level and structure of remuneration is proportionate to the sustained performance and value creation of the Group, the Company has put in place a framework of remuneration for its Executive Directors and key management personnel. The key areas of focus of the remuneration framework and details of the implementation within the Group are set out below:

Key Areas of Focus Details	
Pay for performance	<ul style="list-style-type: none"> • Instil and drive a pay-for-performance culture • Ensure that remuneration is closely linked to annual and long-term business objectives • Set, communicate and monitor key performance targets and indicators • Adjust the proportion of fixed and variable remuneration to emphasise sustainable performance that is aligned with the Group's strategic objectives, considering qualitative and quantitative factors
Competitive remuneration	<ul style="list-style-type: none"> • Benchmark total remuneration against other organisations of similar size and standing in the Group's industry
Accountability and Risk-taking	<ul style="list-style-type: none"> • Focus on achieving risk-adjusted returns that are consistent with prudent risk taking and capital management as well as emphasis on long-term sustainable outcomes

The Company's ESOS 2010 which has been in force since the implementation date (i.e. approved by the shareholders at an extraordinary general meeting) on 28 October 2010, expired on 5 July 2022. The outstanding balance of 2,000,000 share options were unexercised and lapsed on the date of expiry of the ESOS.

Remuneration of Non-Executive Directors

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 2010, 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 AGM of the Company.

Provision 8.1(a) – Directors' remuneration/fees and remuneration of the Group CEO

Provision 8.1(a) of the Code recommends that companies fully disclose the name and remuneration of each individual Director and the CEO. The Company has not complied with this provision as the Board is of the opinion that due to the confidentiality and commercial sensitivity attached to remuneration matters, given the highly competitive environment the Group operates in, the Company does not fully disclose the remuneration of the Directors. As such, the Board has deviated from complying in full with Provision 8.1 and has instead provided below a breakdown of the fees and remuneration of Directors (in percentage terms) for FY2022:

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Remuneration band and name of Directors	Fee	Salary	Bonus	Other Benefits	Total
	%	%	%	%	%
S\$250,000 to S\$500,000					
Ng Chee Wee	–	85	11	4	100
Below S\$250,000					
Lim Kee Liew @ Victor Lim	–	87	–	13	100
Cheah Wee Teong	100	–	–	–	100
Chue Wai Tat	100	–	–	–	100
Lee Teck Meng Stanley	100	–	–	–	100

Despite having varied from provision 8.1(a) of the Code, the Board believes that consistent with the intent of principle 8 of the Code, sufficient information has been disclosed for shareholders' understanding with respect to the Group's remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1(b) - Remuneration of top five key management personnel

As the Company has only three key management personnel (excluding the CEO), the breakdown showing the level and mix of remuneration was in respect of each of these top three key management personnel (who are not Directors or the CEO) in bands of S\$250,000 for FY2022 (in percentage terms), as set out below:

Key management personnel	Salary	Bonus	Other Benefits	Total
	%	%	%	%
S\$250,000 to S\$500,000				
Leong Lai Heng	97	–	3	100
Below S\$250,000				
Phan Guo Yee	91	6	3	100
Koh Lye Seng Eric	88	6	6	100

As the Group has only three key management personnel during the financial year under review, disclosure was only made in respect of the remuneration of these three key management personnel. The aggregate remuneration paid to these key management personnel was S\$486,064 (2021: S\$343,130).

Provision 8.2 – Remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company

Mdm. Leong Lai Heng, spouse of Mr. Lim Kee Liew @ Victor Lim, CEO and Group Managing Director is employed as Director of the subsidiaries of the Company and has received remuneration at that capacity which exceeded S\$250,000 but was less than S\$300,000 during FY2022. Save as disclosed, none of the employees who are immediate family members of a Director or the CEO received more than S\$100,000 in remuneration for FY2022.

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ACCOUNTABILITY AND AUDIT

Principle 9 Risk Management and Internal Controls

Provision 9.1 – Maintenance of a sound risk management system and internal controls

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.

The Company does not have a Risk Management Committee. However, 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. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

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.

To strengthen its internal audit function, the Company has appointed NLA Risk Consulting Pte. Ltd. ("**NLA Risk**" or "**Internal Auditors**") to provide internal audit services. On an annual basis, the Group's internal audit function prepares an audit plan taking into consideration risks identified and assessed from the risk management system. This risk-based audit plan is approved by the AC and audits are conducted to assess the adequacy and effectiveness of the Group's system of internal controls in addressing financial, operational, compliance and information technology risks. In addition, material control weaknesses over financial reporting, if any, are highlighted by the Company's external auditors, Ernst & Young LLP ("**External Auditors**") in the course of the statutory audit. All audit findings and recommendations made by the Internal and External Auditors are reported to the AC and significant findings are discussed at the AC meetings. The Group's internal audit function follows up on all recommendations to ensure timely remedy of audit issues and reports the status to the AC once a year.

Provision 9.2 - Written assurance regarding (i) financial records and financial statements and (ii) adequacy and effectiveness of the Group's risk management and internal control systems

The Board has received written assurance from the Group CEO and the CFO that as at 30 June 2022:-

- (a) nothing has come to their attention which would render the financial statements to be false or misleading in any material aspects;
- (b) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;
- (c) the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems ("**Internal Control and Risk Management Systems**") are adequate and effective in addressing the material risks in the Group's current business environment; and
- (d) there are no known significant deficiencies or lapses in the Internal Control and Risk Management Systems which could adversely affect the Group's ability to record, process, summarise or report financial data, or any fraud that involves Management or other employees who have a significant role in the Internal Control and Risk Management Systems.

The Board has also received written assurance from other key management personnel having authority and responsibility for planning, directing and controlling the activities of the Group that:

- (a) the Internal Control and Risk Management Systems in place are adequate and effective in addressing its material risks in the Group's current business environment; and
- (b) there are no known significant deficiencies or lapses in the Internal Control and Risk Management Systems which could adversely affect its ability to record, process, summarise or report financial data, or any fraud that involves Management or other employees who have a significant role in the Internal Control and Risk Management Systems.

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Rule 1204(10) of the Catalist Rules

Based on the risk management and internal controls established and maintained by the Group, work done by the Internal Auditors and External Auditors, and the assurance from Management, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems, addressing financial, operational, compliance and information technology controls risks were adequate and effective as at 30 June 2022.

The Board notes that the Internal Control and Risk Management Systems established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

Principle 10 Audit Committee

Provisions 10.1 to 10.3 and 10.5 – Duties and composition of the AC

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. Cheah Wee Teong	–	AC Member
Mr. Lee Teck Meng Stanley	–	AC Member

The AC members collectively have had many years of experience in accounting, business, financial management and corporate advisory. The Board considers that the members of the AC as having sufficient financial knowledge and experience to appropriately discharge their duties and responsibilities in 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 have any financial interests in the auditing firm or auditing corporation.

The principal functions of the AC and the activities it has undertaken for FY2022 are as follows:

- (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 person 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.

Report on Corporate Governance

The primary reporting line of the internal auditors is to the AC and the internal auditors have unfettered access to all the Group's documents, records, properties and personnel. The AC has explicit authority to investigate any matter within its terms of reference and is authorised to obtain independent professional advice. It has full access to and co-operation of Management and reasonable resources to enable it to discharge its duties properly. It also has full discretion to invite any Director or executive officer or any other person to attend its meetings.

Summary of the AC's activities in FY2022

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

The AC meets with the Group's Internal Auditors, External Auditors and Management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of controls is maintained in the Group. In performing its functions for FY2022, the AC had:

- (a) held two meetings in the financial year with Management and the External Auditors, and met once with the Internal Auditors and the External Auditors without the presence of Management;
- (b) reviewed the audit plan and audit report for FY2022 presented by the Internal Auditors and the External Auditors;
- (c) conducted an annual review of the audit and non-audit services provided by the External Auditors, to satisfy itself that the nature and extent of such non-audit services will not prejudice the independence and objectivity of the External Auditors. In compliance with Rule 1204(6)(b) of the Catalist Rules, it is the opinion of the AC that the nature and extent of non-audit services provided by the External Auditors do not affect the independence and objectivity of the External Auditors. The fees incurred for FY2022 are as follows:

	2022 S\$'000
Fees on audit services paid/payable to	
- Auditors of the Company	83
- Other auditors	2
Fees on non-audit services paid/payable to	
- Auditors of the Company	19
- Other auditors	1

The External Auditors 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 External Auditors 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. The Board and the AC are satisfied that the appointment of the other auditing firms for its foreign-incorporated subsidiaries would not compromise the standards and the effectiveness of the audit of the Company.

The AC meets with the External Auditors to discuss with Management pertaining to changes in accounting standards and issues that have direct impact on the financial statements, as and when required. These matters would be brought up by Management to update the AC on such regulatory updates and to allow the AC to stay abreast of the latest developments, if any.

Report on Corporate Governance

Whistle blowing

The Company has adopted a Whistle Blowing Policy which provides a channel for staff and other parties to report in good faith and in confidence their concerns about fraud and other possible improprieties in matters of financial reporting or other matters. All reports, including anonymous reports, reports that are lacking in detail and verbal reports, will be thoroughly investigated. All complaints will be treated as confidential and will be brought to the attention of the AC.

In addition, the Company is committed to ensure protection of the whistleblower against detrimental or unfair treatment. While the policy is meant to protect the whistleblower from any detrimental or unfair treatment as a result of their report or disclosure, it strictly prohibits frivolous and untrue reports or disclosures. No adverse action will be taken against any Director, officer, employee or other individual for making a report or disclosing information in good faith under this policy. The Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. Where a report or disclosure has been made, the Company will take all reasonable steps to ensure that no other person harasses or victimises the whistleblower.

The Company has designated an independent function to investigate whistleblowing reports made in good faith. Assessment, investigation and evaluation of complaints are conducted by or, at the direction of the AC if it deems appropriate, independent advisors engaged at the Group's expense. Following the investigation and evaluation of a complaint, the AC will then decide on recommended disciplinary or remedial actions, if any. Appropriate actions that are determined by the AC shall then be brought to the Board or to the appropriate senior management of the Group for authorisation or implementation respectively.

In the event that the report is about a Director, that Director will not be involved in the review and any decision making with respect to that report. The policy aims to encourage reporting of such matters in good faith, with the confidence that any employees and any other persons making such reports will be treated fairly and be protected from reprisals. Details of the whistle-blowing policy have been made available to all employees.

Provision 10.4 – Internal Audit and Rule 1204(10C) of the Catalist Rules

The Company recognises the importance of establishing an internal audit function that is independent of the activities it audits. The internal audit function is currently being outsourced to NLA Risk which reports directly to the AC Chairman.

The team leader in-charge is a Certified Internal Auditor and the audit work is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The hiring, removal, evaluation and compensation of the Internal Auditors or corporation to which internal audit function is outsourced was approved by the AC. The Internal Auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The AC approves the engagement, evaluation and fees of the Internal Auditors and provides a communication channel between the Board, the Management and External Auditors on matters relating to audit.

The role of the Internal Auditors is to support the AC in ensuring that the Group maintains a sound system of risk management and internal controls by monitoring and assessing the adequacy and effectiveness of key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigations as directed by the AC.

The AC will review the findings of the Internal Auditors and will ensure that the Group follows up on the Internal Auditors' recommendations. The AC will review the adequacy of the internal audit function annually to ensure that the internal audit function is adequately resourced and able to perform its function effectively and objectively.

For FY2022, the AC had reviewed and is satisfied that the internal audit function is independent with appropriate standing and adequate resources to perform its functions effectively and objectively as required under Rule 1204(10C) of the Catalist Rules.

Report on Corporate Governance

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11 Shareholder Rights and Conduct of General Meetings

The Board ensures that all the Company's shareholders are treated equitably for them to exercise their shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance position and prospects.

Provisions 11.1 to 11.5 – Participation and voting at general meetings of shareholders

General meetings are the principal forum for dialogue with shareholders. At the general meetings, shareholders are given the opportunity to share their views and ask questions regarding the Company and the Group. Shareholders are also informed of the rules, including voting procedures, which regulate the general meetings of shareholders. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel and to interact with them as well as for the Company to solicit and understand the views of shareholders. Since the AGM for the financial year ended 30 June 2020, the Annual Reports and Notices of AGM are made available through the announcements released via SGXNet and the Company's website, <http://asianmicro.listedcompany.com/>, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time).

Every matter requiring shareholders' approval will be proposed as a separate resolution. Each item of special business included in the meeting notice will be accompanied by, where appropriate, an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting. Where the resolutions are "bundled", the Company will explain the reasons and material implications.

Pursuant to the Catalist Rules, the Company will put 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 on the same day after the meeting. The Company currently employs paper polling as it is more cost-effective and practical compared to electronic polling.

The Company's Constitution does not permit voting in absentia by mail, facsimile or e-mail as such voting methods would need to be cautiously evaluated to ensure that the authenticity of the vote and the Shareholder's identity is not compromised. Instead, 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 1967) 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. The proxy form must be deposited at the Company's registered office not less than 48 hours of the general meeting.

The Chairman of the Board and the respective chairman of the AC, the NC and the RC are usually present and available at general meetings to address shareholders' queries. Appropriate key management personnel are also present at such meetings to address operational questions from shareholders. In addition, in the case of AGM, the External Auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. The Directors' attendance at the general meetings of the Company held in 2021 is disclosed under provision 1.5 above.

The Joint Company Secretaries prepare minutes of general meetings, which record substantial comments and queries from shareholders relating to the agenda of such meetings. Save for the minutes of the financial year ended 30 June 2020 ("FY2020") AGM, FY2020 Extraordinary General Meeting ("EGM") and FY2021 AGM, the Company does not publish its minutes of general meetings on its corporate website. However, the minutes are available to shareholders upon request.

Alternative arrangements for the conduct of general meetings

In 2020, due to the COVID-19 pandemic, Singapore entered a circuit breaker period during which physical meetings were not allowed to be held. The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended from time to time ("**Alternative Arrangements Order**") came into force to provide for alternative arrangements for, amongst others, listed companies in Singapore to hold their general meetings. Pursuant to the Alternative Arrangements Order, the Company had held its last two AGMs via electronic means.

Report on Corporate Governance

Notwithstanding that shareholders of the Company were not allowed to attend the FY2020 and FY2021 AGMs in person, the Company had put in place arrangements for shareholders to participate in the meeting by submitting questions ahead of the meeting, voting by proxy and/or watching or listening to the proceedings via a “live” webcast. The submission of questions and proxy forms was done electronically via a website set up for the purposes of the meeting, to an electronic mail address, or by depositing the same at the registered office of the Company.

With respect to the FY2020 and FY2021 AGMs, the Company tabled separate resolutions at the meeting on each substantially separate issue. The Chairman of the meeting was appointed as proxy to vote in accordance with the instructions of the shareholders indicated in the proxy form submitted by such shareholders. Independent scrutineers were appointed to check the validity of the proxy forms received and prepared a report on the results of the votes.

The Company had also informed the shareholders of such alternative arrangements and the details relating thereto ahead of the FY2020 and FY2021 AGMs in an announcement released by the Company on SGXNET and its corporate website.

With the further easing of COVID-19 safe management measures implemented in Singapore in 2022, the Company will conduct physical meetings for its forthcoming AGM and EGM to be held on 25 October 2022. In line with the provisions under the Alternative Arrangements Order, the notices of the FY2022 AGM and EGM (“**Notices of AGM and EGM**”), the respective Proxy Forms, the Annual Report and the Circular of the Company were uploaded on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL <http://asianmicro.listedcompany.com/>. No printed copies of the Notices of AGM and EGM, the respective Proxy Forms, the Annual Report and the Circular of the Company were despatched to Shareholders and advertisement on the Notices of AGM and EGM was not required.

Provision 11.6 - Dividend policy

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 dividends to be declared. No dividends were declared for FY2022 as the Company does not have retained earnings and the Group is conserving cash for its business operations and future developments so as to ensure sufficiency of funds for its daily business and operational needs.

Principle 12 Engagement with Shareholders

The Company does not have an Investor Relations Policy in place and there is no dedicated investor relations team in place as the Board was of the view that the current communication channels are sufficient and cost-effective. However, in line with the continuous disclosure obligations of the Company and pursuant to the Catalist Rules and the Companies Act, shareholders shall be informed of all major developments that impact the Group, in a timely manner. The Company strives to ensure regular, effective and fair communication with its shareholders, and be as descriptive, detailed and forthcoming as possible in disclosing the information and to inform shareholders of changes in the Company or its business which would likely to materially affect the price or value of the Company’s shares.

The Company does not practise 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.

The Group values dialogue sessions with its shareholders. During general meetings of the Company, the Board devotes time and attention to address questions from and concerns raised by shareholders and the Directors are generally present for the entire duration of the meetings. The Chairman of the meeting will also endeavour to facilitate constructive dialogue between shareholders and the Board. In addition, members of the Board and key management personnel make themselves available to interact with shareholders both before and after general meetings. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders’ views and addressing their concerns.

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.

Report on Corporate Governance

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13 Engagement with Stakeholders

Provisions 13.1 and 13.2 – Identification and engagement with material stakeholder groups, including managing relationships with such groups

The Group believes that forging good relationships with stakeholders is crucial for the sustainable growth of its business and identified its key stakeholders which include shareholders, suppliers, customers, employees, regulatory authorities (Governments, SGX-ST, Ministry of Manpower, Inland Revenue Authority of Singapore), shareholders and investors.

The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period can be found in the Sustainability Report, which will be released by 30 November 2022.

Provision 13.3 – Corporate website

The Company currently maintains a corporate website at <http://asianmicro.listedcompany.com/> which hosts relevant investor-related information, including the Company's corporate information and announcements that have been released on SGX.

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 the Securities Transactions Code. The Securities Transactions Code provides guidance to the Directors and executives of the Group with regard to dealing in the Company's securities. It emphasises that the law on insider trading is applicable at all times, notwithstanding the prohibited dealing periods. 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 securities.

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

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

The Board is satisfied with the Group's commitment in compliance with the Securities Transactions 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 CEO 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.

When a potential conflict of interest arises, the Director concerned will not participate in the discussion and will refrain from exercising any influence over other members of the Board.

Report on Corporate Governance

During FY2022, the Company has entered into the following interested person transaction, as follows:-

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$'000
ACI Technology (S) Pte Ltd	Associate of Mr. Lim Kee Liew @ Victor Lim, the CEO who is also a controlling shareholder of the Company	55	-

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 FY2022.

Report on Corporate Governance

Additional Information required pursuant to Rule 720(5) of the Listing Manual: Rules of Catalyst on Directors seeking for re-election

The following additional information on Mr. Lee Teck Meng Stanley and Mr. Ng Chee Wee, all of whom are seeking re-election as Directors at this Annual General Meeting, is to be read in conjunction with their respective biographies on pages 6 to 8 of this Annual Report.

	Lee Teck Meng Stanley	Ng Chee Wee
Date of Appointment	24 August 2016	6 May 2011
Date of last re-appointment (if applicable)	18 October 2019	23 October 2020
Age	47	49
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (In the Company's case, the Board's comments on this re-election)	<p>The Nominating Committee ("NC"), having considered the attendance and participation of the Director at Board and Board Committees' meetings, and taking into account Mr. Lee Teck Meng Stanley ("Mr. Stanley Lee")'s track record, experience and capabilities to, amongst others, provide insight and guidance to the Group's business and strategies, had recommended to the Board the re-election of Mr. Stanley Lee who will be retiring by rotation pursuant to Article 89 of the Company's Constitution at the forthcoming Annual General Meeting ("AGM").</p> <p>The Board supported the NC's recommendation.</p> <p>Mr. Stanley Lee had abstained from voting on any resolution and making any recommendation and/or participated in respect of his own re-election.</p>	<p>The NC, having considered the attendance and participation of the Director at Board and Board Committees' meetings, in particular, Mr. Ng Chee Wee's contribution to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of Mr. Ng Chee Wee who will be retiring by rotation pursuant to Article 89 of the Company's Constitution at the forthcoming AGM.</p> <p>The Board supported the NC's recommendation.</p> <p>Mr. Ng Chee Wee had abstained from voting on any resolution and making any recommendation and/or participated in respect of his own re-election.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Overseeing the Group's finance, accounting, treasury, legal, tax, corporate secretarial, regulatory compliance and human resources functions.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director and members of Audit, Nominating and Remuneration Committees	Executive Director and Chief Financial Officer (" CFO ") of the Company and its subsidiaries (" Group ")
Professional qualifications	Please refer to the Directors' respective biographies on pages 6 to 8 of this Annual Report.	

Report on Corporate Governance

	Lee Teck Meng Stanley	Ng Chee Wee
Working experience and occupation(s) during the past 10 years	<p>2020 to Present: Managing Director of Royal Oaks Investments Pte Ltd</p> <p>2017 to 2020: Deputy Director of Nanyang Technological University Singapore</p> <p>2014 to 2016: Director of RHT Strategic Advisory Pte Ltd</p> <p>2009 to 2014: Trading Representative of Maybank Kim Eng Securities Pte Ltd</p>	<p>2011 to Present: Executive Director of the Company</p> <p>2017 to Present: CFO of the Group</p> <p>2010 to 2017: Financial Controller of the Group</p>
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest of 300,000 ordinary shares in the Company	Direct interest of 28,477,586 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nephew of Mr. Lim Kee Liew @ Victor Lim, Chief Executive Officer (“CEO”) and Group Managing Director and Mdm. Leong Lai Heng, a Substantial Shareholder of the Company	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer – Yes / No	Yes	Yes
Other Principal Commitments*	Please refer to the Directors’ respective biographies on pages 6 to 8 of this Annual Report.	
Other Directorships for the past 5 years	Nil	Nil
Other Present Directorships	<p>(i) Aquahandy Innovative Health Technology Pte. Ltd. (formerly known as Aqua Handy Environmental Protection Pte. Ltd.)</p> <p>(ii) Royal Oaks Investments Pte Ltd</p>	<p>(i) Asian Micro Sdn. Bhd.</p> <p>(ii) Leverage Income Sdn. Bhd.</p> <p>(iii) Asian Micro Capital Sdn. Bhd.</p>
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee’s reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

Report on Corporate Governance

The Company confirms that the response to the declaration for the items (a) to (k) of Appendix 7F of the Listing Manual: Rules of Catalist concerning the Directors to be re-elected is a “no”.

**The term “principal commitments” shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*

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 2022.

Opinion of the Directors

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company 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 2022 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, 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:

Cheah Wee Teong
Lim Kee Liew @ Victor Lim
Ng Chee Wee
Chue Wai Tat
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 1967, 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 2021	At 30 June 2022	At 21 July 2022	At 1 July 2021	At 30 June 2022	At 21 July 2022
The Company						
Asian Micro Holdings Limited						
(Ordinary shares)						
Lim Kee Liew @ Victor Lim	573,590,968	576,451,068	576,451,068	319,387,755	319,387,755	319,387,755
Ng Chee Wee	28,227,586	28,477,586	28,477,586	-	-	-
Lee Teck Meng Stanley	-	-	-	300,000	300,000	300,000

By virtue of Section 7 of the Singapore Companies Act 1967, 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 2022.

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. The ESOS 2010 expired on July 2022 pursuant to the By-Laws of the ESOS. All the outstanding share option offered to the Eligible Persons of the Group pursuant to the ESOS had automatically lapsed upon the expiry of the ESOS.
5. 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 2022 are as follows:

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

Directors' Statement

Share options (cont'd)

Asian Micro Employees' Share Option Scheme 2010 (cont'd)

6. 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	–
Chue Wai Tat	–	2,000,000	–	2,000,000	–
Name of Associates of Controlling Shareholders					
Leong Lai Heng	–	2,000,000	–	2,000,000	–
Lin Xianglong Winchester	–	2,000,000	–	2,000,000	–

7. 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 2022.

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.

Directors' Statement

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. Cheah Wee Teong (Independent Non-Executive Chairman and 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 1967. Among other functions, it performed the following:

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

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

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

Auditor

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

On behalf of the Board of Directors,

Lim Kee Liew @ Victor Lim
Director

Ng Chee Wee
Director

Singapore

28 September 2022

Independent Auditor's Report

For the financial year ended 30 June 2022

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 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and 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 1967 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)) 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 2022 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our 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.

Independent Auditor's Report

For the financial year ended 30 June 2022

Key audit matters (cont'd)

Expected credit losses on receivables

As at 30 June 2022, the Group's gross trade receivable balances were significant as they represented 22% of the total current assets in the consolidated balance sheet and the total trade receivables and related impairment for expected credit losses amounted to \$773,219 and \$9,622 respectively.

The Group estimated the expected credit losses ("ECL") on trade receivables by establishing an ECL model in which the probability of default is estimated based on historical observed default rates and payment patterns for each individual debtor. The Group's ECL model also incorporated forward looking information such as forecast economic conditions. As significant management judgment and estimates are required in assessing the probability of default and forward looking information, we have identified the Group's ECL assessment on trade receivables as a key audit matter.

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

- (i) Requested confirmations from major debtor balances as at year end;
- (ii) Updated our understanding of the Group's controls and processes in determining impairment under SFRS(I) 9 and performed a walkthrough of the process which entails the following:
 - Defining default and due dates;
 - Determination of credit-impaired financial assets; and
 - Determination of the credit risk characteristics of its customers.
- (iii) Assessed the adequacy of the impairment for expected credit losses made by management as at year end by assessing the appropriateness of the Group's ECL model, contractual terms, discount rates, use of historical credit loss experience, use of forward-looking information and evaluated and tested assumptions and judgments made by management (including the appropriateness of the method used) in the determination of impairment;
- (iv) Reviewed the trade receivables aging for any long and outstanding receivables;
- (v) Reviewed and assessed the adequacy of the Group's disclosures on the trade receivables and the related risks such as credit risk and liquidity risk in Notes 8 and 27 to the consolidated financial statements.

Independent Auditor's Report

For the financial year ended 30 June 2022

Key audit matters (cont'd)

Valuation of investment properties

As at 30 June 2022, the carrying amount of investment properties was \$342,318, which represented 9% of total assets. These investment properties are stated at their fair value, which is determined using the direct comparison method by independent external valuation experts engaged by management. The valuation process requires both management and the independent external valuation experts to exercise judgement and the value derived is dependent on key inputs and adjustments for comparability. For these reasons, we have determined this to be a key audit matter.

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

- (i) Reviewed management's assessment of fair value and assessed the reasonableness of the inputs, assumptions and valuation model used;
- (ii) Evaluated the objectivity, independence and professional competency of the independent external valuation experts;
- (iii) Discussed with the independent valuation specialists and management to obtain an understanding of the valuation methodologies, key assumptions and estimates adopted, including how they have considered the implications of COVID-19 and market uncertainty in the valuations where appropriate;
- (iv) Assessed the reasonableness of the fair value changes in investment properties; and
- (v) Assessed the appropriateness of the disclosures on the investment properties in Note 4 and the adequacy of the disclosures in Note 28(a) relating to the valuation of the investment properties.

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 SFRS(I), 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.

Independent Auditor's Report

For the financial year ended 30 June 2022

Auditor's responsibilities for the audit of the financial statements

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

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

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

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 2022

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 Philip Ling Soon Hwa.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

28 September 2022

Balance Sheets

As at 30 June 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$	\$	\$	\$
Non-current assets					
Plant and equipment	3	127,068	217,964	49,822	128,684
Investment properties	4	342,318	341,820	–	–
Investments in subsidiaries	5	–	–	2,132,681	2,179,136
Other receivables	8	32,197	33,065	–	–
		<u>501,583</u>	<u>592,849</u>	<u>2,182,503</u>	<u>2,307,820</u>
Current assets					
Development properties	6	1,578,041	1,592,165	–	–
Inventories	7	53,304	24,237	–	–
Trade and other receivables	8	800,438	923,205	5,959	6,484
Prepayments		29,281	31,947	17,404	20,922
Fixed deposits	10	202,381	234,629	–	–
Cash and bank balances	10	783,649	643,537	72,559	21,304
		<u>3,447,094</u>	<u>3,449,720</u>	<u>95,922</u>	<u>48,710</u>
Total assets		<u>3,948,677</u>	<u>4,042,569</u>	<u>2,278,425</u>	<u>2,356,530</u>
Current liabilities					
Trade and other payables	11	716,343	838,423	13,711	21,543
Accrued expenses	12	763,000	529,452	239,135	197,011
Due to related parties (non-trade), net	9	–	4,949	–	2,544
Due to subsidiaries (non-trade), net	9	–	–	102,034	47,240
Lease liability	13	34,802	33,072	24,479	23,443
Income tax payable		40,066	45,547	–	–
		<u>1,554,211</u>	<u>1,451,443</u>	<u>379,359</u>	<u>291,781</u>
Net current assets/(liabilities)		<u>1,892,883</u>	<u>1,998,277</u>	<u>(283,437)</u>	<u>(243,071)</u>

Balance Sheets

As at 30 June 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$	\$	\$	\$
Non-current liabilities					
Lease liability	13	68,989	103,791	38,759	63,239
Deferred tax liabilities	22	585	585	585	585
		69,574	104,376	39,344	63,824
Total liabilities		1,623,785	1,555,819	418,703	355,605
Net assets		2,324,892	2,486,750	1,859,722	2,000,925
Equity attributable to owners of the Company					
Share capital	14	47,109,718	47,109,718	47,109,718	47,109,718
Share option reserve	15	40,051	40,051	40,051	40,051
Foreign currency translation reserve	15	(662,508)	(666,088)	–	–
Other reserves	15	(1,527,495)	(1,527,495)	(1,527,495)	(1,527,495)
Accumulated losses		(42,803,858)	(42,630,787)	(43,762,552)	(43,621,349)
		2,155,908	2,325,399	1,859,722	2,000,925
Non-controlling interests		168,984	161,351	–	–
Total equity		2,324,892	2,486,750	1,859,722	2,000,925
Total equity and liabilities		3,948,677	4,042,569	2,278,425	2,356,530

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 2022

	Note	2022 \$	2021 \$
Revenue	16	4,773,223	3,831,842
Cost of sales		(3,302,439)	(2,639,659)
Gross profit		<u>1,470,784</u>	<u>1,192,183</u>
Other items of income			
Finance income	17	731	273
Other income	18	68,327	193,839
Other items of expense			
Administrative expenses		(1,630,309)	(1,500,908)
Distribution and selling expenses		(34,014)	(28,609)
Finance expenses	17	(13,136)	(7,824)
Other expenses	19	(23,948)	(454,610)
Loss before tax	20	(161,565)	(605,656)
Income tax expense	22	(4,952)	(4,243)
Loss for the year		<u>(166,517)</u>	<u>(609,899)</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		4,659	401,146
Other comprehensive income for the year, net of tax		<u>4,659</u>	<u>401,146</u>
Total comprehensive loss for the year		<u>(161,858)</u>	<u>(208,753)</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		(173,071)	(605,016)
Non-controlling interests		6,554	(4,883)
		<u>(166,517)</u>	<u>(609,899)</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(169,491)	(224,780)
Non-controlling interests		7,633	16,027
		<u>(161,858)</u>	<u>(208,753)</u>
Loss per share attributable to owners of the Company (cents per share)			
Basic	23	(0.011)	(0.043)
Diluted	23	(0.011)	(0.043)

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 2022

2022 Group	Attributable to owners of the Company						
	Equity attributable to owners of the Company	Share capital (Note 14)	Accumulated losses	Other reserves (Note 15)	Foreign currency translation reserve (Note 15)	Share option reserve (Note 15)	Non- controlling interests
Total Equity	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	2,486,750	47,109,718	(42,630,787)	(1,527,495)	(666,088)	40,051	161,351
Net loss for the year	(166,517)	-	(173,071)	-	-	-	6,554
<u>Other comprehensive income for the year, net of tax</u>							
Foreign currency translation differences for foreign operations	4,659	-	-	-	3,580	-	1,079
Other comprehensive income for the year	4,659	-	-	-	3,580	-	1,079
Total comprehensive loss for the year	(161,858)	-	(173,071)	-	3,580	-	7,633
Closing balance at 30 June 2022	2,324,892	47,109,718	(42,803,858)	(1,527,495)	(662,508)	40,051	168,984

Statements of Changes in Equity

For the year ended 30 June 2022

2021 Group	Attributable to owners of the Company							
	Total equity \$	Equity attributable to owners of the Company \$	Share capital (Note 14) \$	Accumulated losses \$	Other reserves (Note 15) \$	Foreign currency translation reserve (Note 15) \$	Share option reserve (Note 15) \$	Non- controlling interests \$
Balance at 1 July 2020	1,732,841	1,587,517	45,653,994	(42,025,771)	(1,034,433)	(1,046,324)	40,051	145,324
Net loss for the year	(609,899)	(605,016)	-	(605,016)	-	-	-	(4,883)
Other comprehensive income for the year, net of tax								
Foreign currency translation differences for foreign operations	401,146	380,236	-	-	-	380,236	-	20,910
Other comprehensive income for the year	401,146	380,236	-	-	-	380,236	-	20,910
Total comprehensive loss for the year	(208,753)	(224,780)	-	(605,016)	-	380,236	-	16,027
Issuance of ordinary shares	962,662	962,662	1,455,724	-	(493,062)	-	-	-
Total contribution by and distributions to owners	962,662	962,662	1,455,724	-	(493,062)	-	-	-
Closing balance at 30 June 2021	2,486,750	2,325,399	47,109,718	(42,630,787)	(1,527,495)	(666,088)	40,051	161,351

Statements of Changes in Equity

For the year ended 30 June 2022

Company	Total equity \$	Share capital (Note 14) \$	Accumulated losses \$	Other reserves (Note 15) \$	Share option reserve (Note 15) \$
Balance as at 1 July 2021	2,000,925	47,109,718	(43,621,349)	(1,527,495)	40,051
Net loss for the year, representing total comprehensive loss for the year	(141,203)	–	(141,203)	–	–
Balance as at 30 June 2022	<u>1,859,722</u>	<u>47,109,718</u>	<u>(43,762,552)</u>	<u>(1,527,495)</u>	<u>40,051</u>
Balance as at 1 July 2020	1,628,796	45,653,994	(43,030,816)	(1,034,433)	40,051
Net loss for the year, representing total comprehensive loss for the year	(590,533)	–	(590,533)	–	–
Issuance of ordinary shares	962,662	1,455,724	–	(493,062)	–
Total contribution by and distributions to owners	962,662	1,455,724	–	(493,062)	–
Balance as at 30 June 2021	<u>2,000,925</u>	<u>47,109,718</u>	<u>(43,621,349)</u>	<u>(1,527,495)</u>	<u>40,051</u>

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 2022

	Note	2022 \$	2021 \$
Cash flow from operating activities			
Loss before tax		(161,565)	(605,656)
Adjustments:			
Depreciation of plant and equipment	20	100,432	103,995
Interest expense	17	10,868	5,811
Interest income	17	(731)	(273)
Fair value (gain)/loss on investment properties	18,19	(9,645)	34,273
Gain on disposal of investment property	18	–	(17,101)
Waiver of directors' remuneration	18	(50,000)	–
Write-back of allowance for inventories obsolescence	18	(435)	(687)
Write-back of payables that have expired	18	–	(595)
Unrealised exchange loss		64,201	400,576
Operating cash flows before changes in working capital		(46,875)	(79,657)
(Increase)/Decrease in inventories		(28,632)	31,422
Decrease/(Increase) in trade and other receivables		123,553	(226,576)
Decrease/(Increase) in prepayments		2,696	(7,909)
Decrease in amount due to related parties		(4,949)	–
Increase in trade and other payables		163,324	455,830
Cash generated from operations		209,117	173,110
Interest paid		(10,868)	(5,811)
Interest income received		731	273
Income taxes paid		(10,433)	(7,615)
Net cash generated from operating activities		188,547	159,957
Cash flow from investing activities			
Proceeds from disposal of investment property		–	159,408
Subsequent expenditures on development properties		(27,646)	–
Purchase of plant and equipment (Note A)		(9,536)	(59,178)
Net cash (used in)/generated from investing activities		(37,182)	100,230

Consolidated Cash Flow Statement

For the year ended 30 June 2022

	Note	2022	2021
		\$	\$
Cash flow from financing activities			
Repayment of principal portion of lease liability		(33,072)	(26,270)
Pledged fixed deposits placement		(152)	(265)
Share issuance expenses		–	(23,462)
Net cash used in from financing activities		<u>(33,224)</u>	<u>(49,997)</u>
Net increase in cash and cash equivalents		118,141	210,190
Effect of exchange rate changes in cash and cash equivalents		(10,429)	7,089
Cash and cash equivalents at beginning of year		675,937	458,658
Cash and cash equivalents at end of year	10	<u><u>783,649</u></u>	<u><u>675,937</u></u>

Note A

During the year, the Group acquired plant and equipment with an aggregate cost of \$9,536 (2021: \$113,178) of which \$Nil (2021: \$54,000) was acquired under a lease liability arrangement. Cash payment of \$9,536 (2021: \$59,178) was made for the purchase of plant and equipment.

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 2022

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 provision of Compressed Natural Gas (“CNG”) supply and related products and services, manufacturing and 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 (International) (SFRS(I)).

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

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

At the end of the reporting year, the Company’s current liabilities exceeded its current assets by \$283,437 (2021: \$243,071). 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 which are effective for annual financial periods beginning on or after 1 July 2021. The adoption of these standards did not have any material 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 2022

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

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendment to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Significant accounting judgements and estimates

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

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

Key sources of estimation uncertainty

(i) Expected credit losses on trade receivables

The Group computes expected credit loss for trade receivables using the simplified approach. In calculating the expected credit loss for each debtor, the Group adjusts for forward looking macroeconomic data such as GDP growth and central bank base rates.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 8 and Note 27.

The carrying amount of trade receivables as at 30 June 2022 is \$773,219 (2021: \$898,283).

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

2.4 Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

(ii) Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The fair values are determined by independent external appraisers using recognised valuation techniques such as the direct comparison method.

The direct comparison method involves the comparison of recent sales transactions of similar properties and making adjustments for comparability. Management is of the view that the valuation methods and estimates are reflective of the current market condition. The valuation of properties is described in more detail in Note 28(a).

2.5 Basis of consolidation

(a) Basis of consolidation

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

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

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

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

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

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

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

2.5 *Basis of consolidation (cont'd)*

(b) **Business combinations**

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

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

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

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

2.6 *Transactions with non-controlling interests*

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

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

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	5 - 10
Renovations and electrical installations	3 - 10

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

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

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

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

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.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

2.12 *Financial instruments*

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement category for classification of debt instruments is:

(i) *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

De-recognition

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

2.12 *Financial instruments (cont'd)*

(b) **Financial liabilities**

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

(c) **Offsetting of financial instruments**

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

2.13 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. This loss allowance is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

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.

(b) Employee share option plan

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

2.20 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10. The Group's right-of-use assets are presented within plant and equipment in Note 3.

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

2.20 Leases (cont'd)

(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(d).

2.21 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sale of goods is recognised upon satisfaction of performance obligation 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) 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 satisfaction of performance obligation through the delivery of the compressed natural gas to the customer. Revenue on services is recognised when services are rendered.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

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

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

2.22 Taxes (cont'd)

(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 2022

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 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Where the grant relates to income, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.24 Segment reporting

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

2.25 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 2022

3. Plant and equipment

Group	Furniture and fittings	Air conditioners	Machinery, equipment and motor vehicles	Office equipment and computers	Renovations and electrical installations	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 1 July 2020	43,037	4,472	818,540	11,894	680	878,623
Additions	-	-	99,354	8,862	4,962	113,178
Translation difference	-	-	(529)	-	-	(529)
At 1 July 2021 and 30 June 2021	43,037	4,472	917,365	20,756	5,642	991,272
Additions	-	2,616	5,800	1,120	-	9,536
Translation difference	-	-	(3,265)	-	-	(3,265)
At 30 June 2022	43,037	7,088	919,900	21,876	5,642	997,543
Accumulated depreciation						
At 1 July 2020	43,037	3,561	613,454	9,132	680	669,864
Charge for the year	-	561	101,288	1,402	744	103,995
Translation difference	-	-	(551)	-	-	(551)
At 1 July 2021 and 30 June 2021	43,037	4,122	714,191	10,534	1,424	773,308
Charge for the year	-	743	96,037	2,660	992	100,432
Translation difference	-	-	(3,265)	-	-	(3,265)
At 30 June 2022	43,037	4,865	806,963	13,194	2,416	870,475

Notes to the Financial Statements

For the financial year ended 30 June 2022

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 \$
Net book value						
At 30 June 2021	-	350	203,174	10,222	4,218	217,964
At 30 June 2022	-	2,223	112,937	8,682	3,226	127,068

As at 30 June 2022, the Group has right-of-use assets amounting to \$81,648 (2021: \$168,944), classified within machinery, equipment and motor vehicles. Details of right-of-use assets are disclosed in Note 13.

Notes to the Financial Statements

For the financial year ended 30 June 2022

3. Plant and equipment (cont'd)

Company	Motor vehicles \$	Furniture and fittings \$	Office equipment and computers \$	Total \$
Cost				
At 1 July 2020	287,715	43,036	–	330,751
Additions	11,975	–	5,854	17,829
At 1 July 2021, 30 June 2021 and 30 June 2022	299,690	43,036	5,854	348,580
Accumulated depreciation				
At 1 July 2020	98,276	43,036	–	141,312
Depreciation charge for the year	78,291	–	293	78,584
At 1 July 2021 and 30 June 2021	176,567	43,036	293	219,896
Depreciation charge for the year	77,691	–	1,171	78,862
At 30 June 2022	254,258	43,036	1,464	298,758
Net book value				
At 30 June 2021	123,123	–	5,561	128,684
At 30 June 2022	45,432	–	4,390	49,822

As at 30 June 2022, the Company has right-of-use assets amounting to \$37,648 (2021: \$112,944), classified within motor vehicles. Details of right-of-use assets are disclosed in Note 13.

4. Investment properties

	Group	
	2022 \$	2021 \$
Balance sheet:		
At 1 July	341,820	520,606
Disposal	–	(142,307)
Fair value gain/(loss) recognised in profit or loss	9,645	(34,273)
Translation difference	(9,147)	(2,206)
At 30 June	342,318	341,820

Notes to the Financial Statements

For the financial year ended 30 June 2022

4. Investment properties (cont'd)

	Group	
	2022	2021
	\$	\$
Income statement:		
Rental income from investment properties	15,078	18,989
Direct operating expenses from investment properties	(2,665)	(2,662)

Valuation of investment properties

Investment properties are stated at fair value, which has been determined by independent valuation expert engaged by management, based on comparison with similar transacted properties close to year end. Details of valuation technique and inputs used are disclosed in Note 28.

The investment properties held by the Group as at 30 June 2022 are as follows:

Description and location	Existing use	Tenure	Area (square metres)
Three commercial units in Gurney Tower, Penang, Malaysia	Office	Freehold	164

5. Investments in subsidiaries

	Company	
	2022	2021
	\$	\$
Unquoted equity investments, at cost	5,324,455	5,324,455
Loans to subsidiaries	2,206,475	2,206,475
	7,530,930	7,530,930
Less: Impairment loss	(5,398,249)	(5,351,794)
Carrying amount of investments	2,132,681	2,179,136

The loans to subsidiaries amounting to \$2,206,475 (2021: \$2,206,475) are non-interest bearing, unsecured and form part of the Company's net investment in subsidiary companies. Settlements are neither planned nor likely to occur in the foreseeable future.

Movement in allowance for impairment:

At 1 July	5,351,794	5,309,067
Charge for the year	46,455	42,801
Write-off	-	(74)
As at 30 June	5,398,249	5,351,794

During the financial year ended 30 June 2022, the Company has re-assessed the carrying amounts of investment in subsidiaries and has recognised an impairment loss of \$46,455 (2021: \$42,801).

Notes to the Financial Statements

For the financial year ended 30 June 2022

5. Investments in subsidiaries (cont'd)

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	
			2022	2021	2022	2021
			%	%	\$	\$
<u>Held by the Company</u>						
Asian Micro (Thailand) Co., Ltd. ("AMT") ⁽³⁾	Thailand	Currently under voluntary liquidation	100	100	1,510,101	1,510,101
AM NGV (S) Pte. Ltd. ("AM NGV (S)") ⁽¹⁾	Singapore	Trading in natural gas vehicle ("NGV") and compressed natural gas ("CNG") supplies	100	100	600,000	600,000
ACI Industries Pte. Ltd. ("ACI") ⁽¹⁾	Singapore	Trading in clean room supplies	100	100	168,387	168,387
Asian Micro Sdn. Bhd. ("AMM") ⁽²⁾	Malaysia	Currently inactive	100	100	3,895,857	3,895,857

Notes to the Financial Statements

For the financial year ended 30 June 2022

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 (cont'd):

Name of company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest		Cost of investment by the Company	
			2022 %	2021 %	2022 \$	2021 \$
AM NGV (T) Co., Ltd. ("AM NGV (T)") ⁽³⁾	Thailand	Currently under voluntary liquidation	74	74	250,000	250,000
Leverage Income Sdn. Bhd. ("Leverage Income") ⁽²⁾ Note (a)	Malaysia	Property development	49	49	522,808	522,808
Asian Micro Capital Sdn. Bhd. ("AMC") ⁽²⁾ Note (a)	Malaysia	Investment properties	49	49	583,777	583,777
					<u>7,530,930</u>	<u>7,530,930</u>

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

⁽²⁾ Audited by Tee & Partners, Malaysia

⁽³⁾ Not required to be audited by the laws of its country of incorporation

Note (a): 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 the subsidiaries of the Group.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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	Profit/(loss) allocated to NCI during the reporting year	Accumulated NCI at the end of reporting year	Dividend paid to NCI
30 June 2022:					
AM NGV (T) Co., Ltd. ("AM NGV (T)")	Thailand	26	15,243	196,077	Nil
Leverage Income Sdn. Bhd. ("Leverage Income")	Malaysia	51	(8,902)	9,398	Nil
Asian Micro Capital Sdn. Bhd. ("AMC")	Malaysia	51	1,292	(36,491)	Nil
30 June 2021:					
AM NGV (T) Co., Ltd. ("AM NGV (T)")	Thailand	26	23,144	180,834	Nil
Leverage Income Sdn. Bhd. ("Leverage Income")	Malaysia	51	(3,708)	18,300	Nil
Asian Micro Capital Sdn. Bhd. ("AMC")	Malaysia	51	(3,409)	(37,783)	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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

5. Investments in subsidiaries (cont'd)

c. Summarised financial information about subsidiary with material NCI

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

Summarised balance sheets

	Leverage Income		AMC		AM NGV (T)	
	2022	2021	2022	2021	2022	2021
Non-current:						
Assets	\$ -	\$ -	\$ 342,318	\$ 341,820	\$ -	\$ -
Current:						
Assets	1,581,056	1,592,819	172,178	171,827	-	-
Liabilities	(1,070,767)	(1,065,075)	(3,410)	(5,094)	(1,172,475)	(1,231,099)
Net current assets/(liabilities)	510,289	527,744	168,768	166,733	(1,172,475)	(1,231,099)
Net assets/(liabilities)	510,289	527,744	511,086	508,553	(1,172,475)	(1,231,099)

Summarised statement of comprehensive income

(Loss)/profit before income tax	(3,678)	(5,041)	21,341	(291)	-	-
(Loss)/profit after tax	(3,678)	(5,041)	16,528	(4,534)	-	-
Total comprehensive income/(loss)	10,098	(2,811)	30,523	(2,384)	(58,624)	(89,017)

Notes to the Financial Statements

For the financial year ended 30 June 2022

6. Development properties

	Group	
	2022	2021
	\$	\$
Freehold land	1,542,904	1,584,472
Development costs	35,137	7,693
	1,578,041	1,592,165

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	2,649

7. Inventories

	Group	
	2022	2021
	\$	\$
Balance sheet:		
Finished goods (at lower of cost and net realisable value)	53,304	24,237
Income statement:		
Inventories recognised as an expense in cost of sales	2,983,471	2,320,883
Inclusive of the following credit:		
- Write-back of allowance for inventories obsolescence	435	687

During the financial year, no allowance was made by the Group (2021: \$Nil) for inventory obsolescence.

The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts.

Notes to the Financial Statements

For the financial year ended 30 June 2022

8. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade and other receivables (non-current):				
Loan to non-controlling interest of a subsidiary	32,197	33,065	–	–
Total trade and other receivables (non-current)	32,197	33,065	–	–
Trade and other receivables (current):				
Trade receivables	773,219	898,283	–	–
Other debtors	18,994	17,557	2,172	3,547
Deposits	8,225	7,365	3,787	2,937
Total trade and other receivables (current)	800,438	923,205	5,959	6,484
Total trade and other receivables	832,635	956,270	5,959	6,484
Add: Cash and bank balances and fixed deposits (Note 10)	986,030	878,166	72,559	21,304
Less: Goods and services tax (“GST”) receivable	(16,796)	(14,715)	(2,172)	(3,547)
Total financial assets carried at amortised cost	1,801,869	1,819,721	76,346	24,241

Trade and other receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Non-current loan to non-controlling interest of a subsidiary is unsecured, interest-free and repayable on demand. The Group does not expect any repayment in the next 12 months.

None of the receivables were subject to offsetting arrangements.

As at 30 June 2022, trade receivables of the Group denominated in foreign currency are as follows:

	Group	
	2022	2021
	\$	\$
United States dollars	398,630	628,905

Notes to the Financial Statements

For the financial year ended 30 June 2022

8. Trade and other receivables (cont'd)

Expected credit loss

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2022	2021
	\$	\$
Movement in trade receivables allowance accounts:		
At 1 July	9,946	10,438
Exchange differences	(324)	(492)
At 30 June	9,622	9,946

9. Due to subsidiaries (non-trade), net Due to related parties (non-trade), net

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Gross amounts due from subsidiaries (non-trade)	-	-	6,637,529	6,606,253
Less: Allowance for expected credit losses	-	-	(6,637,529)	(6,606,253)
	-	-	-	-
Due to subsidiaries (non-trade), net	-	-	102,034	47,240
Due to related parties (non-trade), net	-	4,949	-	2,544

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

Amounts due from subsidiaries (non-trade), net are stated after deducting the following allowance for expected credit losses:

	Company	
	2022	2021
	\$	\$
<u>Movement of allowance for expected credit losses</u>		
Balance at 1 July	6,606,253	14,985,937
Charge for the year	31,276	552,165
Write-off ⁽¹⁾	-	(8,931,849)
Balance at 30 June	6,637,529	6,606,253

⁽¹⁾ Included in the write-off for the financial year ended 2021 is an allowance for expected credit losses amounting to \$8,931,849 provided in prior years for the receivables from Asian Micro (Thailand) Co., Ltd. The subsidiary is currently under voluntary liquidation.

Notes to the Financial Statements

For the financial year ended 30 June 2022

10. Fixed deposits Cash and bank balances

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

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash and bank balances	783,649	643,537	72,559	21,304
Fixed deposits	202,381	234,629	–	–
	<u>986,030</u>	<u>878,166</u>	<u>72,559</u>	<u>21,304</u>
Less: Fixed deposits pledged	(202,381)	(202,229)	–	–
Cash and cash equivalents	<u>783,649</u>	<u>675,937</u>	<u>72,559</u>	<u>21,304</u>

Cash at bank earns interest at rates based on daily bank deposit rates is 0.004% (2021: 0.004%) per annum.

Fixed deposits are placed with financial institutions for varying periods of between 3 months to 6 months depending on the immediate cash requirements of the Group. The fixed deposits earn interest at fixed deposit rates of 0.05% to 0.10% (2021: 0.01% to 0.05%) per annum for SGD fixed deposit.

Fixed deposits of \$202,381 (2021: \$202,229) are pledged to the banks to obtain credit trade facilities. The credit trade facilities are also secured by:

- (i) corporate guarantee of \$440,000 (2021: \$440,000) from the Company; and
- (ii) joint and several guarantee of \$440,000 (2021: \$440,000) from two major shareholders of the Company (one of whom is also a director of the Company).

As at 30 June 2022, there were no outstanding balances for the credit trade facilities (2021: \$Nil).

As at 30 June 2022, cash and bank balances of the Group denominated in foreign currency are as follows:

	Group	
	2022	2021
	\$	\$
United States dollars	<u>193,914</u>	<u>140,091</u>

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

11. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade and other payables:				
Trade payables	669,907	785,866	–	–
Other payables	46,436	52,557	13,711	21,543
Total trade and other payables	716,343	838,423	13,711	21,543
Add:				
Accrued expenses (Note 12)	763,000	529,452	239,135	197,011
Due to related parties (non-trade) (current) (Note 9)	–	4,949	–	2,544
Due to subsidiaries (non-trade), net (Note 9)	–	–	102,034	47,240
Lease liability (Note 13):				
- current	34,802	33,072	24,479	23,443
- non-current	68,989	103,791	38,759	63,239
Less: GST payable	(17,878)	(2,321)	–	–
Total financial liabilities carried at amortised cost	1,565,256	1,507,366	418,118	355,020

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	
	2022	2021
	\$	\$
United States dollars	62,898	60,849

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	
	2022	2021
	\$	\$
United States dollars	30	31

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

12. Accrued expenses

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Accrued operating expenses	228,000	147,171	146,585	78,285
Accrued personnel expenses	535,000	382,281	92,550	118,726
	<u>763,000</u>	<u>529,452</u>	<u>239,135</u>	<u>197,011</u>

13. Leases

As a lessee

The Group has lease contracts for two motor vehicles. The average discount rate implicit in the leases is 4.331% to 6.981% (2021: 4.331% to 6.981%) per annum.

The Group also has certain leases for factory and office space with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

The Group and the Company's lease liability of \$103,791 and \$63,238 respectively (2021: \$136,863 and \$86,682 respectively) relate to the motor vehicles held by key management personnel and prime mover.

The lease liability is secured by a charge over the right-of-use assets.

Set out below were the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Machinery, equipment and motor vehicles \$
As at 1 July 2020	188,240
Addition	60,000
Depreciation	(79,296)
As at 30 June 2021	<u>168,944</u>
Depreciation	(87,296)
As at 30 June 2022	<u>81,648</u>
Company	Motor vehicles \$
As at 1 July 2020	188,240
Depreciation	(75,296)
As at 30 June 2021	<u>112,944</u>
Depreciation	(75,296)
As at 30 June 2022	<u>37,648</u>

Notes to the Financial Statements

For the financial year ended 30 June 2022

13. Leases (cont'd)

As a lessee (cont'd)

Set out below were the carrying amounts of lease liabilities and the movements during the year:

Group	2022	2021
	\$	\$
As at 1 July	136,863	109,133
Addition	–	54,000
Accretion of interest	6,492	5,811
Payments	(39,564)	(32,081)
As at 30 June	<u>103,791</u>	<u>136,863</u>
Current	34,802	33,072
Non-current	<u>68,989</u>	<u>103,791</u>
Company		
As at 1 July	86,682	109,133
Accretion of interest	3,292	4,285
Payments	(26,736)	(26,736)
As at 30 June	<u>63,238</u>	<u>86,682</u>
Current	24,479	23,443
Non-current	<u>38,759</u>	<u>63,239</u>

The maturity analysis of lease liabilities is disclosed in Note 27.

Amounts recognised in profit or loss:

	2022	2021
	\$	\$
Depreciation expense of right-of-use assets	87,296	79,296
Interest expense on lease liabilities	6,492	5,811
Total amount recognised in profit or loss	<u>93,788</u>	<u>85,107</u>

Total cash outflow of the Group for leases during the year was \$95,512 (2021: \$87,438).

Notes to the Financial Statements

For the financial year ended 30 June 2022

13. Leases (cont'd)

As a lessee (cont'd)

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

	2021	Cash flow Repayment	Non-cash changes Accretion of interests	Others ⁽¹⁾	2022
	\$	\$	\$	\$	\$
Lease liability					
- current	33,072	(39,564)	6,492	34,802	34,802
- non-current	103,791	-	-	(34,802)	68,989
Total	136,863	(39,564)	6,492	-	103,791

	2020	Cash flow Repayment	Non-cash changes Addition/ (repayment)	Accretion of interests	Others ⁽¹⁾	2021
	\$	\$	\$	\$	\$	\$
Loan from director	322,000	-	(322,000)	-	-	-
Lease liability						
- current	22,451	(32,081)	13,448	5,811	23,443	33,072
- non-current	86,682	-	40,552	-	(23,443)	103,791
Total	431,133	(32,081)	(268,000)	5,811	-	136,863

⁽¹⁾ Refers to classification of lease liability from non-current to current.

Notes to the Financial Statements

For the financial year ended 30 June 2022

14. Share capital

	Group and Company			
	2022		2021	
	Number of shares	\$	Number of shares	\$
Issued and fully paid ordinary shares:				
At 1 July	1,558,244,795	47,109,718	1,065,182,795	45,653,994
Debt conversion	–	–	493,062,000	1,479,186
Share issuance expense	–	–	–	(23,462)
At 30 June	<u>1,558,244,795</u>	<u>47,109,718</u>	<u>1,558,244,795</u>	<u>47,109,718</u>

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

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

15. Other reserves

(a) Share option reserve

Share option reserve represents the equity-settled share options granted to employees (Note 24). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry of the share options to retained earnings.

	Group and Company	
	2022	2021
	\$	\$
At 1 July and 30 June	<u>40,051</u>	<u>40,051</u>

(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 mainly relate to fair value differences arise from debt conversion shares amounting to \$1,130,622 and \$493,062 in the financial year ended 30 June 2019 and 30 June 2021 respectively.

Notes to the Financial Statements

For the financial year ended 30 June 2022

16. Revenue

Disaggregation of revenue

	Manufacturing and trading		Natural Gas Vehicle ("NGV") related business		Property business		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue								
Sales to external customers	2,327	1,944	2,431	1,869	15	19	4,773	3,832
Total revenue	2,327	1,944	2,431	1,869	15	19	4,773	3,832
Primary geographical markets								
Singapore	230	133	2,431	1,869	-	-	2,661	2,002
Malaysia	-	39	-	-	15	19	15	58
Thailand	1,817	1,500	-	-	-	-	1,817	1,500
Philippines	280	272	-	-	-	-	280	272
Total revenue	2,327	1,944	2,431	1,869	15	19	4,773	3,832
Time of transfer of goods and services								
At a point in time	2,327	1,944	2,431	1,687	-	-	4,758	3,631
Over time	-	-	-	182	15	19	15	201
	2,327	1,944	2,431	1,869	15	19	4,773	3,832

Notes to the Financial Statements

For the financial year ended 30 June 2022

17. Finance income/(expenses)

	Group	
	2022	2021
	\$	\$
Finance income		
Interest income from fixed deposits, bank balances and others	731	273
Finance expenses		
Interest expense on lease liability	(6,492)	(5,811)
Bank charges	(2,268)	(2,013)
Interest expense on trust receipts	(4,376)	–
	<u>(13,136)</u>	<u>(7,824)</u>

18. Other income

Other income comprises the following:

	Group	
	2022	2021
	\$	\$
Gain on disposal of investment property	–	17,101
Fair value gain on investment properties	9,645	–
Sales of scrap	869	1,479
Write-back of payables that have expired	–	595
Write-back of allowance for inventories obsolescence	435	687
Waiver of directors' remuneration	50,000	–
CPF wage credit scheme	2,027	4,352
Job Support Scheme grant	–	142,190
Others	5,351	27,435
	<u>68,327</u>	<u>193,839</u>

19. Other expenses

Other expenses comprise the following:

	Group	
	2022	2021
	\$	\$
Foreign exchange loss, net	23,948	420,337
Fair value loss on investment properties	–	34,273
	<u>23,948</u>	<u>454,610</u>

Notes to the Financial Statements

For the financial year ended 30 June 2022

20. Loss before tax

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

	Group	
	2022	2021
	\$	\$
Audit fees:		
- Auditor of the Company	82,500	82,500
- Other auditors	2,057	2,089
Non-audit fees:		
- Auditor of the Company	19,901	16,646
Inventories recognised as an expense in cost of sales	2,983,471	2,320,883
Depreciation of plant and equipment	100,432	103,995
Expenses relating to short-term leases	55,948	55,357
Staff costs:		
- Salaries and bonuses	988,621	1,065,045
- Central Provident Fund contributions	77,648	86,812
- Training and course fees	3,862	3,605
- Other personnel expenses	20,924	20,924

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

21. Directors' remuneration

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

	2022	2021
\$250,000 to \$500,000	1	1
Below \$250,000	4	4
	<u>5</u>	<u>5</u>

22. Income tax expense

Major components of income tax expense

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

	Group	
	2022	2021
	\$	\$
Consolidated statement of comprehensive income:		
Current income tax:		
- Current income taxation	139	4,243
- Under provision in prior year	4,813	-
	<u>4,952</u>	<u>4,243</u>

Notes to the Financial Statements

For the financial year ended 30 June 2022

22. 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:

	Group	
	2022	2021
	\$	\$
Loss before tax	(161,565)	(605,656)
Tax at the domestic rates applicable to profits in the countries	(26,267)	(102,962)
Expenses not deductible for tax purposes	40,332	108,228
Income not subject to tax	(2,755)	(27,670)
Deferred tax assets not recognised	–	27,595
Utilisation of previously unrecognised tax losses	(12,370)	–
Under provision in prior year	4,813	–
Effects of different tax rates in other countries	1,199	(948)
Tax expense	4,952	4,243

Deferred taxation at 30 June relate to the following:

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Deferred tax liabilities				
- Differences in depreciation for tax purposes	585	585	585	585

As at 30 June 2022, the Group has unrecognised tax losses and unutilised capital allowances of approximately \$8,294,000 (2021: \$8,316,000) and \$382,000 (2021: \$382,000), 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 year, there were no undistributed earnings (2021: \$Nil) recorded by the Group's subsidiaries.

Notes to the Financial Statements

For the financial year ended 30 June 2022

23. Loss 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	
	2022	2021
	\$	\$
Loss from operations attributable to owners of the Company	(173,071)	(605,016)
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic/diluted loss per share	1,558,244,795	1,397,493,074

As at 30 June 2022 and 30 June 2021, 2,000,000 of share options outstanding under the existing employee share option scheme have not been included in the calculation of diluted loss per share because they are anti-dilutive for the financial year presented.

24. Employee benefits

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

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

The exercise price of the options was set at the average market price for the 5 consecutive trading days immediately preceding the offering date of the option. The options may be exercisable immediately or at any time from 1 to 10 years beginning on the first anniversary of the date of grant. Options granted are cancelled when the option holder ceases to be under full time employment of the Company or any corporation in the Group subject to certain exceptions at the discretion of the Company. There are no cash settlement alternatives. There has been no modification to the scheme during the year. The ESOS expired in July 2022 pursuant to the By-Laws of the ESOS.

Notes to the Financial Statements

For the financial year ended 30 June 2022

24. Employee benefits (cont'd)

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

Date granted	Option exercise period	Exercise price	Balance at 1 July 2021	Options exercised during the year	Balance at 30 June 2022
ESOS 2010					
July 2012	July 2013 – July 2022	\$0.022	2,000,000	–	2,000,000

Movement of share options during the year

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

	2022		2021	
	No.	WAEP(\$)	No.	WAEP(\$)
ESOS 2010				
Outstanding at beginning and end of the year ⁽¹⁾	2,000,000	0.022	2,000,000	0.022

⁽¹⁾ The exercise price for options outstanding at the end of the year was \$0.022 (2021: \$0.022). The weighted average remaining contractual life for these options is 1 year (2021: 2 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.

25. Commitments and contingencies

Continuing financial support

As at 30 June 2022, 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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

26. Related party disclosures

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

(a) Sales and purchases of goods and services

	Group	
	2022	2021
	\$	\$
Rental expense paid to related parties *	55,498	55,357

* The Group has entered into contracts with 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	
	2022	2021
	\$	\$
Short-term employee benefits and bonus	857,868	791,333
Central Provident Fund contributions	64,080	60,770
Total compensation paid to key management personnel	921,948	852,103
Comprise amounts for:		
- Directors of the Company	435,884	508,973
- Other key management personnel	486,064	343,130
	921,948	852,103

During the financial year ended 30 June 2022, the total waiver of director's remuneration was \$330,000 (2021: \$192,684).

27. Financial risk management objectives and policies

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

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

(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.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments past due, taking into account any collateral held.

The Group compute expected credit losses for this group of financial assets using the simplified approach. In calculating the expected credit loss rates, the Group adjusts for forward looking macroeconomic data such as GDP growth and central bank base rates.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for trade receivables is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Range
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	Lifetime expected credit losses	0.1% to 1.0%

Trade Receivables

The Group provides for lifetime expected credit losses for all trade receivables using internal grading. The provision rates are determined based on historical observed default rates and payment patterns analysed for each debtor. The loss allowance provision as at 30 June 2022 and 30 June 2021 are as follows, the expected credit losses below also incorporate forward looking information such as forecast economic conditions where the gross domestic product will improve over the next year.

Summarised below is the information about the credit risk exposure on the Group's trade receivables:

	2022	2021
	\$	\$
Gross carrying amount	782,841	908,229
Loss allowance provision	9,622	9,946

Information regarding loss allowance movement of trade receivables is disclosed in Note 8.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

(a) Credit risk (cont'd)

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 (2021: \$440,000) relating to a corporate guarantee provided by the Company to a bank on a subsidiary's banking 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:

	2022		Group		2021	
	\$	% of total	\$	% of total	\$	% of total
By country:						
Singapore	370,908	48	268,455	29		
Philippines	42,198	5	67,103	7		
Thailand	353,949	45	561,858	62		
People's Republic of China	117	1*	94	1*		
Malaysia	6,047	1*	773	1*		
	<u>773,219</u>	<u>100</u>	<u>898,283</u>	<u>100</u>		

* Less than 1%

At the balance sheet date, approximately 95% (2021: 93%) of the Group's trade receivables were due from three major customers.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

(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 2022	1 year or less \$	1 to 5 years \$	Total \$
Financial assets			
Trade and other receivables, excluding statutory tax recoverable	783,642	32,197	815,839
Fixed deposits	202,381	–	202,381
Cash and bank balances	783,649	–	783,649
Total undiscounted financial assets	<u>1,769,672</u>	<u>32,197</u>	<u>1,801,869</u>
Financial liabilities			
Trade and other payables, excluding GST payable (Note 11)	(698,465)	–	(698,465)
Accrued expenses	(763,000)	–	(763,000)
Lease liability	(39,564)	(73,228)	(112,792)
Total undiscounted financial liabilities	<u>(1,501,029)</u>	<u>(73,228)</u>	<u>(1,574,257)</u>
Total net undiscounted financial assets/(liabilities)	<u>268,643</u>	<u>(41,031)</u>	<u>227,612</u>

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

(b) Liquidity risk (cont'd)

Group 2021	1 year or less \$	1 to 5 years \$	Total \$
Financial assets			
Trade and other receivables, excluding statutory tax recoverable	908,490	33,065	941,555
Fixed deposits	234,629	–	234,629
Cash and bank balances	643,537	–	643,537
Total undiscounted financial assets	1,786,656	33,065	1,819,721
Financial liabilities			
Trade and other payables, excluding GST payable (Note 11)	(836,102)	–	(836,102)
Accrued expenses	(529,452)	–	(529,452)
Due to related parties (non-trade)	(4,949)	–	(4,949)
Lease liability	(39,564)	(112,792)	(152,356)
Total undiscounted financial liabilities	(1,410,067)	(112,792)	(1,522,859)
Total net undiscounted financial assets/(liabilities)	376,589	(79,727)	296,862
Company 2022			
Financial assets			
Trade and other receivables, excluding statutory tax recoverable	3,787	–	3,787
Cash and bank balances	72,559	–	72,559
Total undiscounted financial assets	76,346	–	76,346
Financial liabilities			
Trade and other payables	(13,711)	–	(13,711)
Accrued expenses	(239,135)	–	(239,135)
Due to subsidiaries (non-trade)	(102,034)	–	(102,034)
Lease liability	(26,736)	(40,104)	(66,840)
Total undiscounted financial liabilities	(381,616)	(40,104)	(421,720)
Total net undiscounted financial liabilities	(305,270)	(40,104)	(345,374)

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

(b) Liquidity risk (cont'd)

Company 2021	1 year or less \$	1 to 5 years \$	Total \$
Financial assets			
Trade and other receivables, excluding statutory tax recoverable	2,937	–	2,937
Cash and bank balances	21,304	–	21,304
Total undiscounted financial assets	24,241	–	24,241
Financial liabilities			
Trade and other payables	(21,543)	–	(21,543)
Accrued expenses	(197,011)	–	(197,011)
Due to related parties (non-trade)	(2,544)	–	(2,544)
Due to subsidiaries (non-trade)	(47,240)	–	(47,240)
Lease liability	(26,736)	(66,840)	(93,576)
Total undiscounted financial liabilities	(295,074)	(66,840)	(361,914)
Total net undiscounted financial liabilities	(270,833)	(66,840)	(337,673)

(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 2022

27. 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, Thai Baht (Baht) and Malaysian Ringgit (MYR). The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD). Approximately 44% (2021: 46%) of the Group's sales are denominated in foreign currencies whilst 100% (2021: 100%) 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 \$398,630 and \$62,898 (2021: \$628,905 and \$60,849) 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 \$193,914 (2021: \$140,091).

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 before tax to a reasonably possible change in the SGD and USD exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	Increase/(decrease)	
	Loss before tax	
	2022	2021
	\$	\$
<i>USD/SGD</i>		
Strengthened by 3% (2021: 3%)	15,889	21,244
Weakened by 3% (2021: 3%)	(15,889)	(21,244)

Notes to the Financial Statements

For the financial year ended 30 June 2022

28. 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 technique	Unobservable inputs	Range \$
2022	342,318	Direct comparison method	Price per square foot	187 to 205
2021	341,820	Direct comparison method	Price per square foot	187 to 204

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 property valuer 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 property valuers that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by independent property valuers 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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

(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

Fixed deposits (Note 10), cash and bank balances (Note 10), trade and other receivables (Note 8), due to subsidiaries (Note 9), trade and other payables (Note 11), accrued expenses (Note 12) and lease liability (Note 13).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature, or that the applicable market rate of return at the reporting date is close to the effective interest rate of the balance.

29. Capital management

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

30. Segment information

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

Manufacturing and trading

Manufacturing and trading is in the business of providing clean room grade plastic packaging bags and materials for packaging cleaned finished products in the hard disk drive and semi-conductor customers.

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, transportation of CNG refilling service, maintenance and servicing of CNG related equipment.

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.

Property business

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

Corporate

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

Geographical information

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

Information about major customers

Revenue from one major customer in the NGV related business segment amounted to \$2,430,790 (2021: \$1,815,027).

Revenue from two major customers in the manufacturing and trading segment amounted to \$1,972,298 (2021: \$1,720,389).

Notes to the Financial Statements

For the financial year ended 30 June 2022

30. Segment information (cont'd)

Segments

The following tables presents revenue and results information regarding the Group's reportable operating segments for the financial years ended 30 June 2022 and 2021 (in \$'000).

	Manufacturing and trading		Natural Gas Vehicle ("NGV") related business		Property business		Corporate and others		Elimination ⁽¹⁾		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue												
Sales to external customers	2,327	1,944	2,431	1,869	15	19	-	-	-	-	4,773	3,832
Inter-segment sales	-	-	-	-	-	-	880	950	(880)	(950)	-	-
Total revenue	2,327	1,944	2,431	1,869	15	19	880	950	(880)	(950)	4,773	3,832
Segment results												
Segment profit/(loss)	(109)	72	(547)	(423)	18	(5)	(139)	8,086	627	(8,328)	(150)	(598)
Finance expenses											(13)	(8)
Finance income											1	-
Loss before taxation											(162)	(606)
Tax expense											(5)	(4)
Loss for the year											(167)	(610)

Notes to the Financial Statements

For the financial year ended 30 June 2022

30. Segment information (cont'd)

Segments (cont'd)

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

	Manufacturing and trading		Natural Gas Vehicle ("NGV") related business		Property business		Corporate and others		Elimination ⁽¹⁾		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment results												
Gain on disposal of investment property	-	-	-	-	-	17	-	-	-	-	-	17
Write-back of allowance for inventories obsolescence	1	1	-	-	-	-	-	-	-	-	1	1
Foreign exchange (loss)/gain	34	(30)	(5)	10	2	-	1	(191)	(56)	(209)	(24)	(420)
Inventories recognised as an expense in cost of sales	(1,367)	(1,195)	(1,616)	(1,126)	-	-	-	-	-	-	(2,983)	(2,321)
Operating lease expenses	(27)	(27)	-	-	-	-	(29)	(28)	-	-	(56)	(55)
Staff costs	(297)	(276)	(321)	(353)	-	-	(473)	(547)	-	-	(1,091)	(1,176)

Notes to the Financial Statements

For the financial year ended 30 June 2022

30. Segment information (cont'd)

Segments (cont'd)

	Manufacturing and trading		Natural Gas Vehicle ("NGV") related business		Property business		Corporate and others		Elimination ⁽¹⁾		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment results												
Segment assets	6,735	7,104	2,484	2,696	2,096	2,106	8,593	8,317	(15,959)	(16,180)	3,949	4,043
Total assets											3,949	4,043
Segment liabilities	(8,778)	(8,974)	(8,432)	(8,155)	(1,074)	(1,070)	(5,614)	(5,272)	22,274	21,915	(1,624)	(1,556)
Total liabilities											(1,624)	(1,556)
Capital expenditure	(6)	(95)	(4)	-	-	-	-	(18)	-	-	(10)	(113)
Depreciation	(20)	(18)	(1)	(1)	-	-	(79)	(85)	-	-	(100)	(104)

⁽¹⁾ 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 2022

30. Segment information (cont'd)

The following table presents revenue and assets information based on the geographical location of customers and assets, respectively, for the years ended 30 June 2022 and 2021 (in \$'000).

	Singapore		Malaysia		Thailand		Philippines		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2,661	2,002	15	58	1,817	1,500	280	272	4,773	3,832
Assets	1,978	1,972	1,968	2,068	3	3	-	-	3,949	4,043

Notes to the Financial Statements

For the financial year ended 30 June 2022

31. Events occurring after the reporting period

On 31 August 2022, the Company has entered into a conditional sale and purchase agreement to acquire 7,500 ordinary shares of the Asian Micro Realty Development, Inc. ("Target Company") representing 30% of the total issued share capital of the Target Company. The Company has been granted an option to acquire an additional 2,500 ordinary shares, representing 10% of the total issued share capital of the Target Company.

32. Authorisation of financial statements for issue

The financial statements for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 28 September 2022.

Shareholders' Information

As at 21 September 2022

No. of Shares issued	:	1,558,244,795
Class of Shares	:	Ordinary Shares
Voting rights	:	1 vote per share

The Company does not have any treasury shares and subsidiary holdings as at 21 September 2022.

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	6	0.16	202	0.00
100 - 1,000	1,047	27.75	1,035,019	0.07
1,001 - 10,000	1,336	35.41	7,217,200	0.46
10,001 - 1,000,000	1,284	34.03	198,216,046	12.72
1,000,001 and above	100	2.65	1,351,776,328	86.75
Total	3,773	100.00	1,558,244,795	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 21 SEPTEMBER 2022

No.	Name of Shareholders	Number of Shares	%
1	Lim Kee Liew @ Victor Lim	576,451,068	36.99
2	Leong Lai Heng	319,387,674	20.50
3	Lin Meiyi Sophie	72,020,500	4.62
4	Ng Chee Wee	28,477,586	1.83
5	Lee Ee @ Lee Eng	22,047,500	1.41
6	Phillip Securities Pte Ltd	21,017,000	1.35
7	Tay Kim Chai Johnson	21,000,000	1.35
8	DBS Nominees (Private) Limited	20,205,300	1.30
9	Raffles Nominees (Pte.) Limited	12,476,300	0.80
10	Low Chor Chuan	10,000,000	0.64
11	Maybank Securities Pte. Ltd.	9,401,500	0.60
12	Lim Choon Thye	9,000,000	0.58
13	OCBC Securities Private Limited	8,879,000	0.57
14	Ifast Financial Pte. Ltd.	7,567,700	0.49
15	Lee Eng Yew	7,350,000	0.47
16	Tiger Brokers (Singapore) Pte. Ltd.	7,137,300	0.46
17	OCBC Nominees Singapore Private Limited	7,100,500	0.46
18	Chua Teong Chung	7,000,000	0.45
19	Toh Lee Heok	6,500,000	0.42
20	Wang Kai Yuen	6,226,000	0.40
		1,179,244,928	75.69

35.87% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.

Shareholders' Information

As at 21 September 2022

SUBSTANTIAL SHAREHOLDERS AS AT 21 SEPTEMBER 2022

(As recorded in the Register of Substantial Shareholders)

Name of Shareholder		Direct Interest		Deemed Interest	
Lim Kee Liew @ Victor Lim	(a)	576,451,068	36.99%	319,387,755	20.50%
Leong Lai Heng	(b)	319,387,674	20.50%	576,451,149	36.99%

Notes:

- (a) Mr. Lim Kee Liew @ Victor Lim's deemed interest arose through 5 shares held by Ultraline Technology (S) Pte Ltd and 76 shares held by American Converters Industries Pte Ltd. He is also deemed to have an interest in the 319,387,674 shares held by his spouse, Mdm. Leong Lai Heng.
- (b) Mdm. Leong Lai Heng's deemed interest arose through 5 shares held by Ultraline Technology (S) Pte Ltd and 76 shares held by American Converters Industries Pte Ltd. She is also deemed to have an interest in the 576,451,068 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 (“AGM” or “Meeting”) of Asian Micro Holdings Limited (the “Company”) will be held at Orchid Country Club, Sapphire Suite III & IV, 1 Orchid Club Road, Singapore 769162 on Tuesday, 25 October 2022 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 2022 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company retiring pursuant to Article 89 of the Constitution of the Company.

Mr. Ng Chee Wee **(Resolution 2)**
Mr. Lee Teck Meng Stanley **(Resolution 3)**

Mr. Lee Teck Meng Stanley will, upon re-election as a Director of the Company, remain as a member of the Audit, Nominating and Remuneration Committees and will be considered independent for the purpose of Rule 704(7) of the Listing Manual – Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited (“Catalist Rules”).
[See Explanatory Note (i)]
4. To approve the payment of Directors’ fees of S\$29,500 for the financial year ended 30 June 2022. (FY2021: S\$29,000) **(Resolution 4)**
5. To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other routine business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

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

7. Authority to issue shares

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

- (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 exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules;
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

(Resolution 6)

By Order of the Board

Toh Li Ping, Angela
Joint Company Secretary

7 October 2022

Notice of Annual General Meeting

Explanatory Notes:

- (i) The information relating to Mr. Ng Chee Wee and Mr. Lee Teck Meng Stanley as required under Rule 720(5) of the Catalist Rules is set out on pages 35 to 37 of the Annual Report.
- (ii) The Ordinary Resolution 6 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 (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company 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, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

General

1. The AGM of the Company will be held at Orchid Country Club, Sapphire Suite III & IV, 1 Orchid Club Road, Singapore 769162 (“**Physical Meeting**”). Shareholders and other attendees who are feeling unwell on the date of the AGM are advised not to attend the Physical Meeting.
2. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), there will be no despatch of printed copies and this Notice of AGM together with the following documents are made available to members on **7 October 2022** via SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company’s website at the following URL: <http://asianmicro.listedcompany.com/>:
 - (a) Annual Report; and
 - (b) Proxy Form in relation to the AGM.
3. Authenticated shareholders and proxy(ies) will be able to ask questions in person at the Physical Meeting. Arrangements have also been put in place to permit shareholders to submit their questions ahead of the AGM. Please refer to Notes 12 and 13 below for further details.
4. Live voting by poll will be conducted during the AGM for shareholders and proxy(ies) attending the Physical Meeting.

Voting by proxy

5. 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**”).
6. 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 1967.
7. A proxy need not be a Member of the Company.

Notice of Annual General Meeting

8. The instrument appointing a proxy ("**Proxy Form**") must be submitted to the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting in the following manner:
- (a) by depositing a hard copy by post at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building Singapore 669569; or
 - (b) by sending a scanned PDF copy by email to agm_egm@asianmicro.com.sg,
- in either case, no later than **10.00 a.m. on 23 October 2022** ("**Proxy Deadline**").
- A member who wishes to submit a Proxy Form must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.
9. The Proxy Form must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
10. A member who holds the Company's shares through a relevant intermediary, including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") Investment Account Holders, should not use the Proxy Form and should instead approach their respective relevant intermediary as soon as possible to specify voting instructions, submit questions ahead of the AGM and/or participate in the AGM.
11. In the case of a member whose shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any Proxy Form lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company. The Company shall also be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible (such as in the case where the appointor submits more than one Proxy Form).

Submission of Questions prior to the AGM

12. A member may submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations ahead of the AGM. To do so, all questions must be submitted by **10.00 a.m. on 17 October 2022** through any of the following means:
- (a) if submitted by email, be received by the Company at agm_egm@asianmicro.com.sg; or
 - (b) if submitted by post, be deposited at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building Singapore 669569.

If the questions are submitted by post, be deposited at the registered office of the Company or sent via email, and in either case not accompanied by the completed and executed Proxy Form, the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

13. The Company will address all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations by publishing its responses to such questions, if any, on the Company's corporate website at the following URL: <http://asianmicro.listedcompany.com/> and on SGXNET at the following URL: <https://www.sgx.com/securities/company-announcements> at least 48 hours prior to the deadline for submission of Proxy Forms. Should there be subsequent clarification sought, or follow-up questions after the deadline of the submission of questions, the Company will address those substantial and relevant questions prior to the AGM through publication on SGXNET, or at the AGM.

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

This form of proxy has been made available on SGXNet at the following URL:
<https://www.sgx.com/securities/company-announcements>
and the Company's website at the following URL:
<http://asianmicro.listedcompany.com/>

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 Orchard Country Club, Sapphire Suite III & IV, 1 Orchard Club Road, Singapore 769162 on Tuesday, 25 October 2022 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	Number of Votes For ⁽¹⁾	Number of Votes Against ⁽¹⁾	Abstain ⁽¹⁾
Ordinary Resolutions				
1	Directors' Statement and Audited Financial Statements for the year ended 30 June 2022 together with Auditors' Report thereon			
2	Re-election of Mr. Ng Chee Wee as a Director pursuant to Article 89 of the Company's Constitution			
3	Re-election of Mr. Lee Teck Meng Stanley as a Director pursuant to Article 89 of the Company's Constitution			
4	Approval of Directors' fees amounting to S\$29,500			
5	Re-appointment of Messrs Ernst & Young LLP as Auditors			
6	Authority to issue new shares			

⁽¹⁾ If you wish to abstain or 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 October 2022

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

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM



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 2001 of Singapore), 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 1970 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 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, 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. The completed and signed copy of this Proxy Form must be submitted to the Company in the following manner:
 - (a) by depositing (whether in person or by post) a physical copy at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building Singapore 669569; or
 - (b) by sending a scanned PDF copy by email to agm_egm@asianmicro.com.sg,

in either case, no later than **10.00 a.m. on 23 October 2022, and failing which, this Proxy Form will not be treated as valid.**

6. A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.
7. 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.
8. 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.
9. 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 1967 of Singapore.

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.

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 AGM dated **7 October 2022**.



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