



**PROPOSED PLACEMENT OF 40,000,000 ORDINARY SHARES IN
THE CAPITAL OF ASIAN MICRO HOLDINGS LIMITED**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Asian Micro Holdings Limited (“**Company**”) refers to the announcement dated 18 September 2013 (“**Announcement**”) in relation to the execution of a share purchase agreement dated 16 September 2013 (“**Share Purchase Agreement**”) between the Company and the shareholders (“**Vendors**”) of Oxley Global Limited (“**Oxley**”) in respect of the proposed acquisition by the Company from the Vendors of the entire issued and paid up share capital of Oxley by way of exchange of new ordinary shares in the capital of the Company (“**Shares**”) for an aggregate consideration of S\$210,000,000 (“**Shares Exchange**”).

The Board wishes to announce that the Company has on 18 September 2013 entered into a subscription agreement (“**Subscription Agreement**”) with Yareco (Private) Limited (the “**Placee**”), pursuant to which the Company shall allot and issue 40,000,000 new ordinary shares in the capital of the Company (“**Placement Shares**”, and each a “**Placement Share**”) to the Placee, at an issue price of S\$0.034 per Placement Share, for the purposes of funding the transactional costs and expenses in relation to and in connection with the Shares Exchange (“**Proposed Placement**”), as announced by the Company in the Announcement.

2. BACKGROUND OF THE PLACEE AND THE INTRODUCER

- 2.1 The Placee, a company incorporated in Singapore, is an investment holding company with a principal focus on real estate investment opportunities in the Southeast Asia region. The issued and paid up shares of the Placee are held equally by Mr Hoe Tat Kai and Mdm Tan Nancy, both of whom are also the directors of the Placee. Mr. Hoe Tat Kai is a businessman who owns investments in companies principally engaged in real estate sector, whereas Mdm Tan Nancy is an accountant in a Singapore company.
- 2.2 The Placee was referred to the Company by Royal Oaks Capital Pte. Ltd. (the “**Introducer**”). The Introducer is a company principally engaged in business consultancy activities. The Introducer was involved in introducing, arranging and co-ordinating the Proposed Placement between the Placee and the Company (“**Referral**”).
- 2.3 In consideration of the Referral, the Company has agreed to pay to the Introducer a referral fee of S\$47,600 representing 3.5% of the total funds raised through the Proposed Placement in cash on a success basis (the “**Referral Fee**”).
- 2.4 The Placee has represented and warranted to the Company, *inter alia*, that it is not, and its directors and substantial shareholders are not, persons specified under Rule 812(1) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of the Catalist (the “**Catalist Rules**”). Based on the information available, the Directors understand that the Placee or its directors or substantial shareholders, namely Mr Hoe Tat Kai

and Mdm Tan Nancy, do not have any connection (including business relationship) with any of the Company's Directors or substantial shareholders. The Introducer is not a concert party to the Placee and has no connection with any of the Company's Directors or substantial shareholders.

3. PROPOSED PLACEMENT

3.1 The salient terms of the Proposed Placement under the Subscription Agreement are as follows:

- (a) The Company has agreed to allot and issue to the Placee 40,000,000 Placement Shares at an issue price of S\$0.034 per Placement Share (the "**Issue Price**") amounting to an aggregate issue price of S\$1,360,000, within five (5) market days from the date on which the last condition precedent provided under the Subscription Agreement is satisfied, fulfilled or waived (as the case may be) or on such other date as may be agreed in writing between the Company and the Placee ("**Issue Date**").
- (b) The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to existing Share(s) except that they will not rank for any dividend, right, allotment or other distributions, the record date of which falls on or before the Issue Date of the Placement Shares.

3.2 Pursuant to the Share Purchase Agreement, the Company may allot and issue up to 40,000,000 Placement Shares at an issue price of not less than S\$0.0325 per Placement Share on or before completion of the Shares Exchange, the net proceeds of which shall be used by the Company solely to pay for the transactional costs in relation to and in connection with the Shares Exchange ("**Agreed Term**"). The terms of Proposed Placement are in conformity with the Agreed Term.

3.3 The Proposed Placement is conditional upon the satisfaction, fulfillment or the waiver (as the case may be) of, *inter alia*, the following key conditions precedent:

- (a) The listing and quotation notice from the SGX-ST in respect of the listing of and quotation for the Placement Shares on the Catalist of the SGX-ST (on conditions, if any, reasonably acceptable to the Company and the Placee, and to the extent that any conditions for the listing of and quotation for the Placement Shares on the Catalist of SGX-ST are required to be fulfilled on or before the Issue Date, they are being so fulfilled) having been obtained and such approval being in full force and effect as at the Issue Date;
- (b) the completion of the proposed debt conversion as announced by the Company on the SGXNET on 26 August 2013 ("**Proposed Debt Conversion**");
- (c) the specific approval of the shareholders of the Company for the issue and allotment of the Placement Shares in accordance with terms of the Subscription Agreement having been obtained; and
- (d) all representations and warranties provided by the Company and the Placee respectively under the Subscription Agreement remain true and accurate as of the date of the Subscription Agreement and as at the Issue Date.

- 3.4 As the Issue Price represents a discount of approximately 20.93% to the volume weighted average price of S\$0.043 for trades done on the Catalist of the SGX-ST on 13 September 2013 (being the preceding market day before the Subscription Agreement was entered into between the Company and the Placee), the Company is required under Rule 811(3) of the Catalist Rules to seek the specific approval of its shareholders for the allotment and issuance of the Placement Shares to the Placee at the Issue Price.
- 3.5 The Proposed Placement will be undertaken as a private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289). As such, no prospectus or offer information statement will be issued and/or lodged with the SGX-ST in connection with the Proposed Placement.

4. RATIONALE

The purpose of the Proposed Placement is to raise funds to finance the Shares Exchange and its related costs. Under the Share Purchase Agreement, the Company may allot up to 40,000,000 Placement Shares at an issue price of not lower than S\$0.0325 per Placement Share. Through the Introducer, the Placee was the first investor who indicated its interests to invest in the Company by subscribing for the maximum number of Placement Shares which the Company is permitted to allot and issue under the Agreed Term of the Share Purchase Agreement.

The Directors are of the view that the Proposed Placement would enable the Company to raise funds in a shorter and more cost-effective and efficient manner as compared to raising money from the debt markets to fund the Shares Exchange. The current operating environment for the Company's existing businesses remains challenging. The Directors believe that the Shares Exchange would enhance shareholder value for the Company as well as strengthen the balance sheet of the Company. The Shares Exchange will also position the Company for future investments with a focus on sectors such as real estate, specialised investment trusts, advisory services and asset management.

5. USE OF PROCEEDS

Upon completion of the Proposed Placement, the aggregate subscription price payable by the Placee to the Company would amount to S\$1,360,000. The net cash proceeds from the Proposed Placement (taking into account the Referral Fee payable to the Introducer) will be approximately S\$1,312,400 (the "**Net Proceeds**").

The Net Proceeds will be utilised by the Company solely to fund the transactional costs and expenses in relation to and in connection with the Shares Exchange.

The Company will make periodic announcements on the utilisation of the Net Proceeds, after the Net Proceeds are materially disbursed. The Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in such announcements and annual reports as may be required under the Catalist Rules.

Pending the deployment of the Net Proceeds, the Net Proceeds may be placed as deposits with banks and/or financial institutions, invested in short term money markets or debt instruments or for any other purpose on a short term basis as the Directors may, in their absolute discretion, deem fit from time to time.

6. FINANCIAL EFFECTS

The financial effects of the Proposed Placement as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and results of the Company or its subsidiaries following the Proposed Placement. As the completion of the Proposed Placement is conditional upon the completion of the Proposed Debt Conversion, the financial effects have been prepared assuming the successful completion of the Proposed Debt Conversion before the Proposed Placement becoming effective.

6.1 Share Capital

As at the date of this announcement, the issued and paid up share capital of the Company is approximately S\$40,252,308 comprising 542,644,889 Shares. Upon completion of the Proposed Debt Conversion and the allotment and issuance of 44,738,172 Shares pursuant to the Proposed Debt Conversion, the Company will have an enlarged share capital of approximately S\$41,549,715 comprising 587,383,061 Shares ("**Relevant Share Capital**"). Following the subsequent completion of the Proposed Placement, the Company will have a further enlarged share capital of approximately S\$42,909,715 comprising 627,383,061 Shares ("**Resultant Share Capital**"). The Placement Shares, when issued, would represent approximately 6.81% of the Relevant Share Capital and would represent approximately 6.37% of the Resultant Share Capital after the completion of the Proposed Placement.

6.2 Net Tangible (Liabilities) / Assets ("**NTL**" / "**NTA**")

	Before Proposed Debt Conversion and Proposed Placement	After Proposed Debt Conversion but before Proposed Placement	After Proposed Debt Conversion and Proposed Placement
(NTL) / NTA attributable to shareholders (S\$'000)	(231)	1,066	2,426
(NTL) / NTA attributable to shareholders per Share (S\$ cent)	(0.04)	0.18	0.39

Note:

Based on the assumption that the Proposed Debt Conversion and Proposed Placement are completed as at the end of the financial year ended 30 June 2013 ("**FY2013**") and disregard any interest, revenue and/or return that may arise from the conversion or the placement.

6.3 Loss per Share ("**LPS**")

	Before Proposed Debt Conversion and Proposed Placement	After Proposed Debt Conversion but before Proposed Placement	After Proposed Debt Conversion and Proposed Placement
Loss after tax attributable to shareholders (S\$'000)	(1,031)	(1,031)	(1,031)

Loss per Share attributable to shareholders (S\$ cents)	(0.21)	(0.19)	(0.18)
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Note:

Based on the assumption that the Proposed Debt Conversion and the Proposed Placement are completed as at the beginning of FY2013 and disregard any interest, revenue and/or return that may arise from the conversion or the placement.

6.4 **Gearing**

	Before Proposed Debt Conversion and Proposed Placement	After Proposed Debt Conversion but before Proposed Placement	After Proposed Debt Conversion and Proposed Placement
Total Debts (S\$'000)	1,854	557	557
Total (Deficit) / Equity (S\$'000)	(231)	1,066	2,426
Gearing Ratio (times)	(8.03)	0.52	0.23

Note:

Based on the assumption that the Proposed Debt Conversion and Proposed Placement are completed as at the end of the FY2013 and disregard any interest, revenue and/or return that may arise from the conversion or the placement.

7. **DIRECTORS' OPINION ON WORKING CAPITAL**

The Directors are of the opinion that after taking into consideration:

- (a) the present internal resources, bank facilities available to the Company and its subsidiaries ("**Group**"), as well as the provision by the Group's managing director, Mr. Lim Kee Liew @ Victor Lim, and his spouse, Ms. Leong Lai Heng, of an undertaking to financially support to the Group to meet its short term obligations (to the extent that the Group is unable to meet those obligations) until 30 June 2014 or the completion of the Shares Exchange, whichever is earlier¹, the Group has sufficient working capital to meet its present requirements; and
- (b) the Group's present internal resources, bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above and taking into account the rationale of the Proposed Placement (as provided in paragraph 4 of this announcement), the Company has decided to undertake the Proposed Placement in order to finance the Shares Exchange and to strengthen the cash flow of the Group.

¹ Please refer to paragraph 10 of the Company's full year financial results announced by the Company on the SGX-ST on 22 August 2013 for further details.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors (other than in his capacity as Director or shareholder of the Company) or substantial shareholder of the Company has any interest, direct or indirect, in the Proposed Placement (other than through their shareholdings in the Company).

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any director who may have been delegated detailed supervision of the preparation of this announcement and/or the Proposed Placement) have individually and collectively reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects and that no material facts have been omitted from this announcement which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information contained in this announcement has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

For and on behalf of the Board

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

Date: 18 September 2013

This announcement 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 SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.

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

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