



ASIAN MICRO HOLDINGS LIMITED

JOINT VENTURE AGREEMENT ON NATURAL GAS VEHICLE (“NGV”) CONVERSION BUSINESS IN MALAYSIA

Asian Micro Holdings Ltd (“AMH” or the “Company”) is pleased to announce that the Company has signed the Joint Venture Agreement with Suria Professional Service Centre Sdn Bhd (“Suria”) on 22nd October 2007 following the MOU dated 12th September 2007. However, AMH will invest a total investment consideration of RM\$200,000/= for 20% stake holdings in Suria while the Group’s subsidiary, SO NGV (S) Pte Ltd will invest RM\$100,000/= for a 10% stake holdings in Suria. The total investment consideration of RM\$300,000/= will be injected via enlarged share capital and share purchase from its current shareholder. The investment will be funded through the proceeds from the private placement in July 2007.

Suria is in NGV conversion business since 2005 and is a certified NGV installer and has a total of 4 certified NGV conversion workshops in Malaysia (2 in Johor Bahru and 2 in Kuala Lumpur) and the Group is targeted to set up its 5th NGV conversion centre in Penang shortly. Suria will expedite its growth with the investment and the support of NGV vehicle conversion kits from AMH, especially the Dual Diesel Fuel (“DDF”) conversion kits. DDF converted heavy duty diesel trucks, prime movers and buses travelling on long distances and able operate on 50% diesel and 50% natural gas. This fuel saving conversion helps diesel vehicle owners in bringing their fuel cost down substantially. Suria, being the first centre to introduce such DDF conversion, will be well ahead of its competitors in Malaysia for NGV business. Suria will also be the distributor for AMH’s range of CNG related products for Malaysia region.

The joint venture will enable AMH to gain a faster access into the Malaysia market since NGV conversion workshops in Malaysia require certifications which normally take a substantial period of time.

The strategic partnership will enable Suria to start embarking on DDF conversion for heavy duty diesel vehicles in early November 2007. Both parties hope to increase Suria’s current sales revenue of RM1million to at least RM4.5 million within the next 12 months.

Gas prices in Malaysia and the Global oil price

In Malaysia, the price of compressed natural gas (“CNG”) is currently priced at approximately RM0.68/kg while the price of diesel and petrol is approximately RM1.58/litre and RM1.92/litre respectively.

The oil price has now historically crossed the level of US\$90 a barrel and the huge price difference of compressed natural gas versus diesel and petrol will definitely cause a demand for bi-fuel and DDF NGV conversion in Malaysia.

INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the proposed joint venture agreement.

FINANCIAL IMPACT

The investment is not expected to have any material impact on the earnings per share and net tangible assets per share of the Company for the financial year ending 30 June 2008.

On behalf of the Board
VICTOR LIM
Group Managing Director

Submitted by Fiona Lee, Financial Controller on 22nd October 2007 to SGX.