



ASIAN MICRO HOLDINGS LIMITED

**MEMORANDUM OF UNDERSTANDING (“MOU”) ON INVESTMENT IN
CRYOTECH CO., LTD**

Asian Micro Holdings Limited (“AMH” or the “Company”) wishes to update on the earlier announcement made by the Company on the MOU signed on 28th December 2007, with Sombat Lohkitdvanich (“SOMBAT”) to invest into Cryothai Co., Ltd (“Cryothai”) for investment in LNG plant business. The Company wishes to inform that due to the delay in the completion of the Liquid Natural Gas (“LNG”) plant located in Sukhothai Province (Thailand), the Company has decided to withhold the investment.

Instead, the company has signed a new MOU to invest in Cryotech Co. Ltd. (“Cryotech”), a company which has the technology to produce cryogenic products, LNG trailers and major components of small scale LNG plants on 21st June 2008. Cryotech will also develop On-Board LNG fuel tanks for heavy duty vehicles like prime movers and cargo trucks.

In the MOU, Sombat and major shareholders of Cryotech agrees to allow AMH to acquire some of their existing shares and to issue new shares such that AMH will hold 20% of the total enlarged share capital after the issuance of new shares for a consideration of 15 million Thai baht or an estimated S\$650,000/-.

ABOUT SOMBAT

SOMBAT started Cryotech Co., Ltd in 1995, specifically to carry out the business of manufacturing of cryogenic vessels and LNG trailer transportation system. The Company also manufactures liquefaction plants and major components of small scale LNG plants. In 1996, Cryotech entered into a technology transfer arrangement with Wessington Cryogenics (England) for cryogenic technology to facilitate a more complete manufacture of liquid gas storage & transportation for liquid gases up to 20,000 litres capacity. Subsequently in 2007, SOMBAT started his LNG production companies to embark on LNG production via Cryothai Co., Ltd and another smaller LNG manufacturing company in Rayong (Thailand).

ABOUT LNG

LNG is simply natural gas in its liquid form. Natural gas is converted to LNG by cooling it to - 260° F (or about -163° C), at which point it becomes a liquid. This process reduces its volume by a factor of more than 600 times – similar to reducing the volume of a beach ball to the volume of a ping-pong ball. This allows natural gas to be transported efficiently. It is stored as a liquid until it is warmed to convert it back to natural gas. LNG can be used in Natural Gas Vehicles (“NGVs”). LNG is an odorless, non-toxic and non-corrosive liquid, and if spilled, LNG would not result in a slick. In the absence of an ignition source, LNG evaporates quickly and disperses, leaving no residue. There is no environmental cleanup needed for LNG spills on water. LNG reduces the trips required to transport compressed natural gas.

The global trend towards LNG usage is increasing tremendous due to the demand for cheaper alternative fuels and ease of transportation. LNG plant technology covers five aspects of natural gas pre-treatment, cryogenic liquefying, storage, transportation and LNG utilization.

RATIONALE

Natural gas and LNG have become the cheaper and cleaner alternative environmental friendly natural fuel to replace the high cost of petrol and diesel. AMH believes that the investment in Cryotech is strategic and AMH shall engage Cryotech to build modular small scale LNG plants in its several bids to get on-shore piped gas for the LNG production and investment in LNG projects. The Company has already started making inroads into clean energy business.

The conversion of petrol car into natural gas vehicle ("NGV") is gaining popularity in Thailand, Malaysia and Singapore due to the high fuel prices and the Company is expanding rapidly and capitalizing on the current trend.

The move into LNG related company is preparing the Company for the future trend of LNG for heavy duty vehicles which uses a lot of Compressed Natural Gas ("CNG") which is best replaced with LNG. NGV can provide 60% to 300% fuel saving depending on the differential cost in petrol/diesel against CNG.

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 transaction.

FINANCIAL IMPACT

The proposed investment is not expected to have material impact on the net tangible assets per share of the Company.

The Company expects the investment to be completed within 4 weeks and will make announcement on the completion of the proposed investment in due course.

On behalf of the Board

Victor Lim
Group Managing Director

Submitted by Leow Wei Chieh, Financial Controller to the SGX on 25 June 2008.