



ASIAN MICRO HOLDINGS LIMITED

LOSS GUIDANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

In anticipation of the announcement of the full year results for Asian Micro Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for financial year ended 30 June 2008 in August 2008, the Board of Directors of the Company deems it appropriate to issue a loss guidance.

Based on currently available information, the Board estimates the Group will report a loss before tax amounted to around SGD 5.4 million for the financial year ended 30 June 2008. The reasons for the loss before tax are as follows:

1) Tray recycling business segment

During financial year, there was a slowdown in the hard disk drive industry and this had resulted in a large drop in the volume of our tray recycling business. In addition, our tray recycling business bills our customers in United State Dollar, which had depreciated by about 11% during the financial year.

Since June 2008, the Group has managed to re-negotiate the pricing of our contract with our customers in an attempt to adjust our pricing to mitigate these two factors in the coming financial year.

2) Impairment of goodwill

The Group has impaired the goodwill on consolidation. The goodwill was recognised upon the acquisition of a subsidiary in 2004. This is a non-recurring expense.

3) Start-up cost for Natural Gas Vehicle business (“NGV”)

The Group has incurred start-up costs for its NGV business, including a significant investment for the transfer of technology and technical management know-how. The start-up costs and the cost for the transfer of technology and technical management know-how are non-recurring expenses.

4) Foreign Exchange losses

Based on current information, it is estimated that the Group will incur a foreign exchange losses of around S\$1.3 million for FY 2008.

On behalf of the Board

Victor Lim
Group Managing Director