



# ASIAN MICRO HOLDINGS LIMITED

COMPANY REGISTRATION No: 199701052K

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## PROPOSED DISPOSAL OF THE PROPERTY

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### 1. INTRODUCTION

The board of directors (“**Board**”) of Asian Micro Holdings Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiary, Asian Micro Capital Sdn Bhd (“**AMC**” or “**Vendor**”) has on 11 January 2021 entered into a sale and purchase agreement (“**SPA**”) with Pang Swee Lin (“**Purchaser**”), pursuant to which AMC has agreed to sell to the Purchaser one (1) commercial office unit located at Gurney Tower, Persiaran Gurney, 10250 Penang, Malaysia (the “**Property**”) at the sale price (the “**Consideration**”) of Ringgit Malaysia Five Hundred and Fifteen Thousand (RM 515,000) (equivalent to approximately S\$169,000) on the terms and subject to the conditions of the SPA (the “**Proposed Disposal**”).

The Proposed Disposal constitutes a “Disclosable Transaction” under Chapter 10 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”). Please refer to paragraph 8 of this announcement for further details.

### 2. INFORMATION ON THE PROPERTY

The Property is a freehold property located at No. 18-26-A3, Gurney Tower, Persiaran Gurney, 10250 Penang, Malaysia. The Property has a gross floor area of approximately 60 sqm and is currently held for rental purposes.

### 3. INFORMATION ON THE PURCHASER

The Purchaser is an individual, namely Pang Swee Lin, who is the owner of the adjoining unit of the Property. The Purchaser is an independent unrelated third party and there is no relationship between the Purchaser and the Company, its Directors, its controlling shareholders, or their respective associates.

### 4. CONSIDERATION

The Consideration for the Proposed Disposal comprised of: (i) RM460,000, being the purchase price; and (ii) RM55,000, being the renovation costs, resulting in a total of RM515,000 to be fully satisfied in cash.

The Consideration shall be payable by the Purchaser to AMC as follows:

- (a) the sum of RM5,150 as the earnest deposit. As at the date of this announcement, AMC has received from the Purchaser in respect of this amount;
- (b) the sum of RM40,850 being the balance deposit and RM55,000 being the renovation costs shall be payable upon the execution of the SPA; and
- (c) the balance of the Consideration of RM414,000 shall be payable upon completion of the Proposed Disposal ("**Completion**").

The Consideration was arrived after arm's length negotiations between AMC and the Purchaser on a willing-buyer, willing-seller basis, taking into consideration, *inter alia*, the valuation of the Property, and relevant enquiries and references by the Group in relation to the current market prices and prevailing market conditions of freehold properties of similar size in the vicinity. Please refer to paragraph 10 for further details on the valuation conducted on the Property.

## **5. RATIONALE FOR THE PROPOSED DISPOSAL**

The Property is currently held for rental purposes. The Company had decided to dispose the Property, after taking into consideration, the recent termination of the last lease by AMC's tenant due to the current pandemic situation and the subsequent request by an adjoining unit owner, who wishes to purchase for expansion.

The Board is of the view that the Proposed Disposal is in the Group's best interests.

## **6. USE OF PROCEEDS**

The estimated net proceeds from the Proposed Disposal ("**Net Proceeds**"), based on the Consideration and after deducting the estimated costs and expenses to be incurred in connection with the Proposed Disposal, are approximately Ringgit Malaysia Five Hundred Thousand (RM500,000).

The net proceeds from the Proposed Disposal will be placed in short-term deposits and/or used for the Group's working capital purposes and to re-strategise, as the Board may in their absolute discretion, deem appropriate.

## **7. SALIENT TERMS OF THE SPA**

### **7.1 Condition of the Proposed Disposal**

The Proposed Disposal shall be subject to the following terms and conditions:

- (a) The Vendor deducing a good and registrable title to the said Property;

- (b) The said Property shall be sold free from all caveats prohibitory orders and encumbrances but subject to all conditions whether express or implied contained in the strata title;
- (c) Any defect in the title shall be rectified and perfected by the Vendor at his own cost and expense; and
- (d) Vacant possession of the said Property.

## 7.2 Completion

Completion of the Proposed Disposal is expected to take place on the date falling 3 months from the date of the execution of the SPA, with an automatic extension of one (1) month with interest at the rate of six per centum (6%) per annum (the “**Completion Date**”).

## 8. RELATIVE FIGURES UNDER RULE 1006

Based on the latest announced audited financial statements of the Company for the financial period ended 30 June 2020 (“**FY2020**”), the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006(a) to (e) of the Catalist Rules are as follows:

1.	<b>Rule 1006(a)</b>	
	Net asset value of Property as at FY2020 (S\$'000)	143
	Net asset value of the Group as at FY2020 (S\$'000)	1,733
	Relative figure	8.25%
2.	<b>Rule 1006(b)</b>	
	Net profit attributable to the Property disposed of as at FY2020 (S\$'000)	6
	Net profit for the Group as at FY2020 (S\$'000)	355
	Relative figure	1.69%
3.	<b>Rule 1006(c)</b>	
	Aggregate value of consideration received (S\$'000)	169
	Market capitalisation of the Company as at 8 January 2021, being the market day preceding the date of the SPA (S\$'000)	18,855 <sup>(1)</sup>
	Relative figure	0.9%
4.	<b>Rule 1006(d)</b>	
	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable

5.	<b>Rule 1006(e)</b>	
	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not Applicable

**Notes:**

- (1) The market capitalisation of the Company of S\$18,854,762 is determined by multiplying the number of shares in issue of the Company ("**Shares**") (of 1,558,244,795 Shares) by the weighted average price of S\$0.0121 of such Shares transacted on 8 January 2021, being the market day preceding the date of the SPA.

## 9. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal on the Group are prepared based on the Group's audited consolidated financial statements for the financial year ended 30 June 2020. For the purpose of computing the earnings per share ("**EPS**") of the Group after the Proposed Disposal, it is assumed that the Proposed Disposal was completed on 1 July 2019. For the purpose of computing the net tangible assets ("**NTA**") per share of the Group, it is assumed that the Proposed Disposal was completed on 30 June 2020.

It should be noted that the financial effects set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the company and the Group after the completion of the Proposed Disposal.

### 9.1 NTA per Share

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTA (S\$'000)	1,733	1,746
Numbers of Shares ('000)	1,065,183	1,065,183
NTA per Share (Singapore cents)	0.16	0.16

### 9.2 EPS

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Net profit (S\$'000)	21	34
Weighted average number of Shares ('000)	1,065,183	1,065,183
EPS (Singapore cents)	0.002	0.003

**10. VALUATION AND BOOK VALUE OF THE PROPERTY**

The open market value of the Property was RM440,000 based on the valuation report dated 30 June 2020 issued by G E Tan Valuers Sdn. Bhd (the “**Valuer**”). The Valuer adopted the Market approach in performing the valuation on the Property and it was commissioned by the Company. The NTA value (and book value) of the Property is approximately RM440,000 as at 30 June 2020. The profit of the Consideration for the Proposed Disposal over the book value of the Property as at 30 June 2020 is approximately RM60,000 (after deducting the estimated transactional expenses of approximately RM15,000 to be incurred in connection with the Proposed Disposal). Net profit of RM19,200 is attributable to the Property for FY2020.

**11. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors, controlling shareholders of the Company or their associates has any interest, direct or indirect, in the Proposed Disposal (other than through their shareholdings in the Company).

**12. DIRECTORS’ SERVICE CONTRACTS**

No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any person.

**13. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the SPA, the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

**14. DOCUMENTS FOR INSPECTION**

A copy of the SPA and valuation report is available for inspection during normal business hours at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building Singapore 669569 for a period of three (3) months from the date of this announcement.

## 15. CAUTIONARY STATEMENT

Shareholders should note that there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed, or that no changes will be made to the terms thereof. Accordingly, Shareholders are advised to exercise caution when trading in the Shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

### BY ORDER OF THE BOARD

Victor Lim  
Executive Chairman, CEO and Group Managing Director  
11 January 2021

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*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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