

CIRCULAR DATED 7 OCTOBER 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the issued share capital of Asian Micro Holdings Limited (the “**Company**”), you should immediately send this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular 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 Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this Circular including the correctness of any of the figures used, statements or opinions made. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr Nathaniel C.V., Registered Professional, RHT Capital Pte. Ltd. at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, telephone: 6381 6966.

The Listing and Quotation Notice (as defined herein) received from the SGX-ST is not to be taken as an indication of the merits of the Conversion Shares (as defined herein), the Proposed Debt Capitalisation (as defined herein), the Company, its subsidiaries and their securities.

This Circular has been made available on SGXNet and may be accessed at the URL <https://www.sgx.com/securities/company-announcements>. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 situation, the Company has decided to conduct the proceedings of the EGM (as defined herein) by electronic means. Alternative arrangements have therefore been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via “live” audio-video webcast or listening to the EGM proceedings via “live” audio-only feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to Section 10 of this Circular and the Company’s announcement dated 7 October 2020 entitled “Alternative Arrangements for the Annual General Meeting and Extraordinary General Meeting of the Company to be held on 23 October 2020” which has been uploaded together with this Circular on SGXNet for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act (as defined herein) and any regulations promulgated thereunder (including the COVID-19 Order (as defined herein)) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNet.



ASIAN MICRO HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199701052K)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED CONVERSION OF THE PARTICIPATING DEBTS (AS DEFINED HEREIN) INTO NEW SHARES OF THE COMPANY AT THE ISSUE PRICE OF S\$0.002 PER SHARE**
- (2) THE PROPOSED ISSUE OF 493,062,000 NEW SHARES TO THE PARTICIPATING CREDITORS (AS DEFINED HEREIN), BEING DIRECTORS AND/OR CONTROLLING SHAREHOLDERS, PURSUANT TO THE CONVERSION OF THE PARTICIPATING DEBTS**

Important dates and times

Last date and time for lodgement of Proxy Form : 21 October 2020 at 10.30 a.m.
Date and time of Extraordinary General Meeting : 23 October 2020 at 10.30 a.m. (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting : The Extraordinary General Meeting will be held by way of electronic means

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:-

“ACI”	:	ACI Industries Pte Ltd, a subsidiary of the Company
“ACI Salaries”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“ACI Technology”	:	Has the meaning ascribed to it in Section 4.4 of this Circular
“AGM” or “Annual General Meeting”	:	The annual general meeting of the Company to be held via electronic means on 23 October 2020 at 10.00 a.m.
“AM NGV”	:	AM NGV (S) Pte Ltd, a subsidiary of the Company
“AM NGV Salaries”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Board” or “Board of Directors”	:	The board of Directors of the Company, as at the date of this Circular
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST known as Catalist
“Catalist Rules”	:	The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Cash Benefit”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Circular”	:	This circular to Shareholders dated 7 October 2020
“Code”	:	The Singapore Code on Take-overs and Mergers
“Company”	:	Asian Micro Holdings Limited
“Company Salaries”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time
“Completion Date”	:	within five (5) business days after the last of the conditions precedent of the DCA has been fulfilled or satisfied, or such other date as may be mutually agreed between the parties to the DCA
“Constitution”	:	The constitution of the Company as at the date of this Circular
“Conversion Price”	:	The conversion price of S\$0.002 per Conversion Share
“Conversion Shares”	:	The 493,062,000 new Shares, fully paid, to be allotted and issued to the Participating Creditors and/or their respective nominees pursuant to the conversion of the Participating Debts subject to and in accordance with the DCA
“COVID-19 Act”	:	The COVID-19 (Temporary Measures) Act 2020, as amended, modified or supplemented from time to time

DEFINITIONS

“COVID-19 Order”	: The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended, modified or supplemented from time to time
“DCA”	: Has the meaning ascribed to it in Section 1 of this Circular
“Director(s)”	: The director(s) of the Company as at the date of this Circular
“Director Loan”	: Has the meaning ascribed to it in Section 2.1 of this Circular
“EGM” or “Extraordinary General Meeting”	: The extraordinary general meeting of the Company to be held on 23 October 2020 at 10.30 a.m. (or immediately following the conclusion or adjournment of the AGM of the Company to be held at 10.00 a.m. on the same day and at the same place), notice of which is set out on pages N-1 to N-5 of this Circular (or any adjournment thereof)
“Existing Share Capital”	: The existing issued and paid up share capital of the Company as at the Latest Practicable Date of S\$45,654,000 comprising 1,065,182,795 Shares
“FY”	: Financial year ended 30 June
“Group”	: The Company and its subsidiaries collectively, as at the Latest Practicable Date
“Latest Practicable Date”	: 28 September 2020, being the latest practicable date prior to the printing of this Circular
“Listing and Quotation Notice”	: The listing and quotation notice dated 30 September 2020 received from the SGX-ST for the listing and quotation of the Conversion Shares
“Live Audio Feed”	: Has the meaning ascribed to it in Section 10.2(a)
“Live Webcast”	: Has the meaning ascribed to it in Section 10.2(a)
“NTA”	: Net tangible assets
“Notice of EGM”	: The Notice of EGM as set out on pages N-1 to N-5 of this Circular
“Ordinary Resolution(s)”	: The ordinary resolution(s) set out in the Notice of EGM to be proposed to the Shareholders at the EGM
“Participating Creditors”	: Lim Kee Liew @ Victor Lim, Leong Lai Heng and Ng Chee Wee
“Participating Debts”	: The aggregate amount of S\$986,124 owing by the Group to the Participating Creditors, as more particularly set out in Section 2.1 of this Circular
“Pre-registration Deadline”	: Has the meaning ascribed to it in Section 10.4(a)(ii)
“Pre-registration Website”	: Has the meaning ascribed to it in Section 10.4(a)(ii)

DEFINITIONS

“Proposed Debt Capitalisation”	:	The proposed capitalisation and conversion of the Participating Debts (in full and not in part) into new Conversion Shares at the Conversion Price
“Register of Members”	:	Register of members of the Company
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares in the capital of the Company and each a “Share”
“Shareholder(s)”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors in the Depository Register maintained by the CDP and whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“SFA” or “Securities and Futures Act”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“Sponsor”	:	RHT Capital Pte. Ltd.
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total issued voting Shares
“\$”, “S\$” and “cents”	:	Singapore dollars and cents, respectively
“%”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term **“subsidiary”** shall have the meaning ascribed to in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Catalist Rules, or any statutory modification thereof, and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA or the Catalist Rules, or such modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be the arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

ASIAN MICRO HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199701052K)

Directors

Lim Kee Liew @ Victor Lim (*Executive Chairman, Chief Executive Officer and Group Managing Director*)
Ng Chee Wee (*Executive Director and Chief Financial Officer*)
Chue Wai Tat (*Lead Independent Director*)
Cheah Wee Teong (*Independent Director*)
Lee Teck Meng Stanley (*Independent Director*)

Registered Office

63 Hillview Avenue
#08-01
Lam Soon Industrial Building
Singapore 669569

7 October 2020

To: The Shareholders of Asian Micro Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

On 24 August 2020, the Company announced that it had entered into a conditional novation and debt capitalisation agreement dated 24 August 2020 (“**DCA**”) with ACI, AM NGV and the Participating Creditors for the proposed capitalisation and conversion (“**Proposed Debt Capitalisation**”) of the Participating Debts into new ordinary shares (“**Conversion Shares**”) at the conversion price of S\$0.002 per Conversion Share (“**Conversion Price**”). Pursuant to the DCA, the parties agreed that the Company shall take over and assume all obligations and rights of its subsidiaries, ACI and AM NGV, under or in connection with the Participating Debts owed by them to Lim Kee Liew @ Victor Lim, Leong Lai Heng and Ng Chee Wee.

Rule 812(1) of the Catalist Rules states that an issue must not be placed to an issuer’s directors and substantial shareholders unless specific shareholder for such an issue is obtained. Accordingly, Shareholders’ approval is required for the proposed issue of (i) 362,658,500 Conversion Shares to Lim Kee Liew @ Victor Lim, (ii) 118,403,500 Conversion Shares to Leong Lai Heng, and (iii) 12,000,000 Conversion Shares to Ng Chee Wee.

The Directors propose to convene an extraordinary general meeting of the Company to be held on 23 October 2020 to seek Shareholders’ approval for the Proposed Debt Capitalisation and the issue of new Shares to certain Directors and Controlling Shareholders. Please refer to the Notice of EGM set out on pages N-1 to N-5 of this Circular.

Donaldson & Burkinshaw LLP has been appointed as the legal adviser to the Company in relation to the DCA and Proposed Debt Capitalisation.

The Sponsor and SGX-ST assume no responsibility for the accuracy, completeness or correctness of any of the statements made, reports contained or opinions expressed in this Circular. Shareholders are advised to read this Circular carefully and to consult their legal, financial, tax or other professional adviser, if necessary.

LETTER TO SHAREHOLDERS

2. PROPOSED DEBT CAPITALISATION

2.1. Overview

Under the DCA, the total amount of the Participating Debts owing to the Participating Creditors as at the date of the DCA is S\$986,124 comprising:

- (a) S\$322,000 being the principal loan ("**Director Loan**") granted by Lim Kee Liew @ Victor Lim to the Company pursuant to a loan agreement dated 5 March 2019.

As at the date of the DCA, the entire Director Loan remains outstanding and unpaid.

- (b) S\$403,317 being the salaries due and payable from the Company to Lim Kee Liew @ Victor Lim ("**Company Salaries**") in respect of the financial year ended 30 June 2020;
- (c) S\$101,384 being the salaries due and payable from ACI to Leong Lai Heng ("**ACI Salaries**") in respect of the financial year ended 30 June 2020;
- (d) S\$135,423 being the salaries due and payable from AM NGV to Leong Lai Heng ("**AM NGV Salaries**") in respect of the financial year ended 30 June 2020; and
- (e) S\$24,000 being the cash benefit due and owing to Ng Chee Wee pursuant to an employment agreement between the Company and Ng Chee Wee, which is part of his remuneration ("**Cash Benefit**"),

(collectively, "**Participating Debts**"). As at the Latest Practicable Date, the Participating Debts remain outstanding and unpaid.

Under the terms of the DCA, each amount (in whole and not in part) owing by the Group to a Participating Creditor shall be converted into Conversion Shares at the Conversion Price.

The Conversion Price of S\$0.002 represents the weighted average price for trades done for the Shares on 24 August 2020, being the last trading day Shares were traded on the Catalist board and the date of the DCA.

Upon the conversion of the Participating Debts into Conversion Shares at the Conversion Price, a total of 493,062,000 Conversion Shares will be issued and allotted to the Participating Creditors. This represents approximately 46.29% of the Existing Share Capital and approximately 31.64% of the Company's enlarged share capital after issuance and allotment of the Conversion Shares.

The allotment and issue of the Conversion Shares will not inject new funds into the Group as there is no fresh cash payable by each of the Participating Creditors for the allotment and issue of relevant number of Conversion Shares to them. The debts owing by the Company to each Participating Creditors will be applied to set off against the aggregate Conversion Price for the Conversion Shares payable by that Participating Creditor.

2.2. Rationale

As at 30 June 2020, the Group has Shareholders' funds amounting to approximately S\$1,733,000 and total borrowings (including salaries) of approximately S\$1,102,000 and a working capital of approximately S\$1,058,000.

In view of the debt burden of the Group, the Company commenced discussions with the Participating Creditors on the Proposed Debt Capitalisation to augment its capital base by converting the Participating Debts into equity of the Company. The issue of Conversion Shares would be in the interest of the Group, as it would relieve them from the pressure of having to meet their short-term debt obligations. It would significantly strengthen the Group's balance sheet and improve its debt-equity position.

LETTER TO SHAREHOLDERS

Consequently, this will improve the Group's financial position and provide/improve opportunities for the Group to raise funds from the public and financial institutions in future because of the Group's improved balance sheet. Likewise, it would free the Group's cash flow as the obligation to repay the Participating Debts via cash will be settled via the issuance of Conversion Shares, so that the Group's cash can be used for other purposes.

The Board is of the opinion that the successful completion of the Proposed Debt Capitalisation would allow the Group to apply more of its cash flow towards its ongoing operations or other opportunities instead of being committed towards debt servicing and repayment. The Proposed Debt Capitalisation is also a show of confidence by the Participating Creditors in the future plans, viability and anticipated performance of the Group.

Upon completion of the Proposed Debt Capitalisation, the aggregate amount owing by the Group to the Participating Creditors will reduce from approximately S\$1,132,000 as at the Latest Practicable Date to approximately S\$146,000. This would help in the Group's efforts to raise new funds from investors, as well as the Group's efforts in seeking opportunities, options and/or funding to further improve the prospects of the Group.

2.3. Salient Terms

The salient terms of the DCA and allotment and issue of the Conversion Shares are as follows:

- (a) **Novation:** The relevant debts owed by the respective subsidiaries of the Company shall be novated to the Company, and the Company shall be substituted in the place of the respective subsidiaries as debtor.
- (b) **Number of Conversion Shares:** Based on the relevant Participating Debt owed to each Participating Creditor, the number of Conversion Shares to be issued and allotted to each Participating Creditor shall be as follows:
 - (i) in respect of Lim Kee Liew @ Victor Lim, 362,658,500 Conversion Shares;
 - (ii) in respect of Leong Lai Heng, 118,403,500 Conversion Shares; and
 - (iii) in respect of Ng Chee Wee, 12,000,000 Conversion Shares.
- (c) **Conversion:** The relevant Participating Debt owed by the Company to each Participating Creditor shall be convertible (in whole but not in part) into a relevant number of Conversion Shares at the Conversion Price.
- (d) **Conversion Price:** The Conversion Price of S\$0.002 represents the weighted average price for trades done for the Shares on 24 August 2020, being the last trading day Shares were traded on the Catalist board and the date of the DCA.

The Conversion Price was agreed upon between the Company and the Participating Creditors based on arms' length negotiations and taking into consideration the financial performance and condition and cash flow generation abilities of the Group and the desire of the Group to alleviate its debt burden as well as the support of the Participating Creditors for the Group's future development.

- (e) **Ranking of Conversion Shares:** The Conversion Shares shall be issued unencumbered and free from any security interests, claims (including pre-emptive rights) or liens and will be freely transferable and shall rank *pari passu* in all respects with all other then existing Shares, except that such Conversion Shares shall not be entitled to any dividends, rights, allotments or other distributions, the record date of which is before the date of allotment of the Conversion Shares, and will be admitted to listing on Catalist.

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- (f) **Completion:** Subject to the satisfaction and/or waiver of the conditions precedent, completion of the issuance and allotment of the Conversion Shares shall take place on the Completion Date, whereupon the Company shall allot and issue the Conversion Shares and deliver the share certificate(s) relating to the relevant Conversion Shares in the name of the depository for the account of Lim Kee Liew @ Victor Lim, Leong Lai Heng and Ng Chee Wee (or their respective nominees), respectively, and deliver or procure the delivery to the depository of the said share certificate(s) or procure the crediting of such Conversion Shares in the relevant securities account.

2.4. Conditions Precedent

The obligations of the Parties under the DCA are subject to the fulfilment of the following conditions precedent:

- (a) the Company obtaining Shareholders' approval at an extraordinary general meeting for the allotment and issue of new ordinary shares, namely the Conversion Shares, pursuant to the terms of the DCA;
- (b) the Company obtaining approval from the SGX-ST for the listing and quotation of the Conversion Shares on Catalist, such approval not being revoked or amended, and if any conditions are attached to the approval ("**Listing Conditions**"), such Listing Conditions having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (c) the allotment, issue, listing and quotation of the Conversion Shares not being prohibited by any applicable laws or regulations; and
- (d) the warranties contained in the DCA being true, complete and accurate in all respects.

The Company shall use its reasonable endeavours to procure the fulfilment of all the conditions precedent referred to above. The long stop date for the fulfilment of the conditions precedent set out in the DCA is six (6) months from the date of DCA, or such other date that the Parties may agree to in writing.

The SGX-ST had, on 30 September 2020, issued a Listing and Quotation Notice advising that the Company may proceed with the listing and quotation of the Conversion Shares, subject to:

- (i) the Company obtaining Shareholders' approval for the Proposed Debt Capitalisation and the allotment and issue of the Conversion Shares at an extraordinary general meeting; and
- (ii) the Company's compliance with SGX-ST's listing requirements.

2.5. Changes in shareholding interests in the Company

Following the completion of the Proposed Debt Capitalisation, the interests of the Participating Creditors in the Company based on the Existing Share Capital as at the Latest Practicable Date is set out as follows:

	Before Proposed Debt Capitalisation			After Proposed Debt Capitalisation		
	Direct Interest	Deemed Interest	Total % ⁽¹⁾	Direct Interest	Deemed Interest	Total % ⁽²⁾
Lim Kee Liew @ Victor Lim	460,932,468	200,984,255 ⁽³⁾	62.14	823,590,968	319,387,755 ⁽⁵⁾	73.35
Leong Lai Heng	200,984,174	460,932,549 ⁽⁴⁾	62.14	319,387,674	823,591,049 ⁽⁶⁾	73.35
Ng Chee Wee	16,227,586	-	1.52	28,227,586	-	1.81

LETTER TO SHAREHOLDERS

Notes:

- (1) The percentage is calculated based on the total issued and paid-up share capital of 1,065,182,795 Shares as at the Latest Practicable Date.
- (2) The percentage is calculated based on the total issued and paid-up share capital of 1,558,244,795 Shares after issuance and allotment of the Conversion Shares.
- (3) Lim Kee Liew @ Victor Lim's deemed interest arose through (i) 5 Shares held by Ultraline Technology (S) Pte Ltd; and (ii) 76 Shares held by American Converters Industries Pte Ltd. He is also deemed to have interest in the 200,984,174 Shares held by his spouse, Leong Lai Heng.
- (4) Leong Lai Heng's deemed interest arose through (i) 5 Shares held by Ultraline Technology (S) Pte Ltd; and (ii) 76 Shares held by American Converters Industries Pte Ltd. She is also deemed to have interest in the 460,932,468 Shares held by her spouse, Lim Kee Liew @ Victor Lim.
- (5) Lim Kee Liew @ Victor Lim's deemed interest arose through (i) 5 Shares held by Ultraline Technology (S) Pte Ltd; and (ii) 76 Shares held by American Converters Industries Pte Ltd. He is also deemed to have interest in the 319,387,674 Shares held by his spouse, Leong Lai Heng.
- (6) Leong Lai Heng's deemed interest arose through (i) 5 Shares held by Ultraline Technology (S) Pte Ltd; and (ii) 76 Shares held by American Converters Industries Pte Ltd. She is also deemed to have interest in the 823,590,968 Shares held by her spouse, Lim Kee Liew @ Victor Lim.

3. RULE 14 OF THE CODE

The Participating Creditors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Code if, as a result of the Proposed Debt Capitalisation, the voting rights of the Participating Creditors and their persons acting in concert with them (as further elaborated under the Code) would increase to 30% or more, or, in the event that such Participating Creditors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Participating Creditors and their concert parties would increase by more than 1% in any period of six (6) months.

As at the Latest Practicable Date, Lim Kee Liew @ Victor Lim, Leong Lai Heng and parties acting in concert with them, namely American Converters Industries Pte Ltd and Ultraline Technology (S) Pte Ltd (each a company jointly owned by Lim Kee Liew @ Victor Lim and Leong Lai Heng), and Sophia Lin Meijuan (daughter of Lim Kee Liew @ Victor Lim and Leong Lai Heng) hold, directly or indirectly, in aggregate of more than 50% of the total number of issued Shares. Since Lim Kee Liew @ Victor Lim and Leong Lai Heng and parties acting in concert with them already collectively hold more than 50% of the total number of issued Shares, the Proposed Debt Capitalisation will not result in any of Lim Kee Liew @ Victor Lim and Leong Lai Heng and parties acting in concert with them incurring an obligation to make a mandatory take-over offer under Rule 14 of the Code.

Following the completion of the Proposed Debt Capitalisation, the interests of Lim Kee Liew @ Victor Lim and Leong Lai Heng and parties acting in concert with them is set out as follows:

	Before Proposed Debt Capitalisation			After Proposed Debt Capitalisation		
	Direct Interest	Deemed Interest	Total % ⁽¹⁾	Direct Interest	Deemed Interest	Total % ⁽²⁾
Lim Kee Liew @ Victor Lim	460,932,468	200,984,255 ⁽³⁾	62.14	823,590,968	319,387,755 ⁽⁵⁾	73.35
Leong Lai Heng	200,984,174	460,932,549 ⁽⁴⁾	62.14	319,387,674	823,591,049 ⁽⁶⁾	73.35
American Converters Industries Pte Ltd	76	-	0 ⁽⁷⁾	76	-	0 ⁽⁷⁾
Ultraline Technology (S) Pte Ltd	5	-	0 ⁽⁷⁾	5	-	0 ⁽⁷⁾
Lin Meijuan Sophia	2,068,000	-	0.19	2,068,000	-	0.13

LETTER TO SHAREHOLDERS

Notes:

- (1) The percentage is calculated based on the total issued and paid-up share capital of 1,065,182,795 Shares as at the Latest Practicable Date.
- (2) The percentage is calculated based on the total issued and paid-up share capital of 1,558,244,795 Shares after issuance and allotment of the Conversion Shares.
- (3) Lim Kee Liew @ Victor Lim's deemed interest arose through (i) 5 Shares held by Ultraline Technology (S) Pte Ltd; and (ii) 76 Shares held by American Converters Industries Pte Ltd. He is also deemed to have interest in the 200,984,174 Shares held by his spouse, Leong Lai Heng.
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- (5) Lim Kee Liew @ Victor Lim's deemed interest arose through (i) 5 Shares held by Ultraline Technology (S) Pte Ltd; and (ii) 76 Shares held by American Converters Industries Pte Ltd. He is also deemed to have interest in the 319,387,674 Shares held by his spouse, Leong Lai Heng.
- (6) Leong Lai Heng's deemed interest arose through (i) 5 Shares held by Ultraline Technology (S) Pte Ltd; and (ii) 76 Shares held by American Converters Industries Pte Ltd. She is also deemed to have interest in the 823,590,968 Shares held by her spouse, Lim Kee Liew @ Victor Lim.
- (7) Represents less than 0.1%

4. INTERESTED PERSON TRANSACTIONS

4.1. Interested Persons under Chapter 9 of the Catalist Rules

Lim Kee Liew @ Victor Lim is the Executive Chairman, Chief Executive Officer and Group Managing Director, holding 661,916,723 Shares (inclusive of both direct and deemed interests) as at the Latest Practicable Date. Leong Lai Heng is a substantial shareholder of the Company, holding 661,916,723 Shares (inclusive of both direct and deemed interests) as at the Latest Practicable Date. Leong Lai Heng is also the spouse of Lim Kee Liew @ Victor Lim. Ng Chee Wee is an Executive Director and Chief Financial Officer of the Company, holding 16,227,586 Shares as at the Latest Practicable Date.

As such, the Participating Creditors are deemed to be interested persons under Chapter 9 of the Catalist Rules and the Proposed Debt Capitalisation constitute interested persons transactions ("**IPTs**").

Pursuant to Rule 915(8) of the Catalist Rules, an interested person transaction relating to director's fees and remuneration and employment remuneration is not required to comply with Rule 905, 906 and 907 of the Catalist Rules. As such, the Company Salaries, ACI Salaries, AM NGV Salaries and Cash Benefit payable to the Participating Creditors are not required to comply with Rule 905, 906 and 907 of the Catalist Rules.

4.2. Thresholds under Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, where the value of a transaction with an interested person singly or in aggregation with the values of the other transactions conducted with the same interested person in the same financial year equals or exceeds 5% of the Group's latest NTA, that transaction shall be subject to Shareholders' approval.

Based on the audited financial statements of the Group for the financial year ended 30 June 2020 ("**FY2020**"), the NTA of the Group is approximately S\$1.73 million.

LETTER TO SHAREHOLDERS

4.3. Value of the IPT with Lim Kee Liew @ Victor Lim

As the Company intends to repay Lim Kee Liew @ Victor Lim by way of issue of Conversion Shares, the value of the interested person transaction (being the amount at risk to the Company and excluding the Company Salaries payable to Lim Kee Liew @ Victor Lim) is the aggregate amount of S\$322,000, representing approximately 18.58% of the NTA of the Group for FY2020. As such, Shareholders' approval is required for the proposed issue of the Conversion Shares to Lim Kee Liew @ Victor Lim pursuant to Rule 906(1)(a) of the Catalyst Rules.

4.4. Total interested person transactions

For the current financial year for FY2020, the Group had paid rental expenses amounting to S\$58,400 to ACI Technology (S) Pte Ltd ("**ACI Technology**") pursuant to:

- (i) a lease agreement entered into between the Company and ACI Technology for the lease of office premise; and
- (ii) a lease agreement entered into between ACI Industries and ACI Technology for the lease of factory space.

ACI Technology is jointly owned by Lim Kee Liew @ Victor Lim and Leong Lai Heng.

Save as disclosed in this Circular, the Company has not entered into any other interested person transactions with each of the Participating Creditors as at the Latest Practicable Date.

5. ISSUANCE OF SHARES TO DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

5.1. Rules in relation to issuance of shares to Directors and Substantial Shareholders

Rule 804 of the Catalyst Rules provides that except in the case of an issue to shareholders made on a *pro rata* basis, no directors or associate of a director may participate in an issue of equity securities unless shareholders have approved such specific allotment. Rules 812(1) and (2) of the Catalyst Rules provides that an issue must not be placed to, *inter alia*, the issuer's directors and substantial shareholders, the immediate family members of the directors and substantial shareholders, and corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%, unless specific shareholders' approval is obtained for such placement and the directors and substantial shareholders abstain from voting on the resolution approving the placement.

5.2. Approval for issuance of Conversion Shares

As each of the Participating Creditors is a person falling within the restrictions of Rule 812(1) of the Catalyst Rules (please see Section 5.1 above for further details), Shareholders' approval for the Proposed Debt Capitalisation would also be required under Rules 804, 812(1) and 812(2) of the Catalyst Rules.

6. FINANCIAL EFFECTS OF THE PROPOSED ISSUE OF CONVERSION SHARES

The pro forma financial effects of the Proposed Debt Capitalisation on the Company are set out below based on the audited financial statements of the Company as at 30 June 2020. The objective of the financial effects analysis is to illustrate what the historical information of the Company or the Group might have been had such transactions been completed at an earlier date. **It is not intended to be a projection of the financial position or performance of the Company or the Group after the completion of the Proposed Debt Capitalisation.**

LETTER TO SHAREHOLDERS

6.1. Capital

As at the Latest Practicable Date, the Existing Share Capital of the Company is S\$45,654,000 comprising 1,065,182,795 Shares. Upon completion of the Proposed Debt Capitalisation, the issued and paid-up share capital of the Company (before deducting capitalisation costs) will be increased to S\$46,640,000, comprising 1,558,244,795 Shares.

6.2. Profit per Share

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
Profit after tax attributable to Shareholders (S\$'000)	22	22
Profit per Share attributable to Shareholders (Singapore cents)	0.002	0.001

6.3. Net tangible assets

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
NTA attributable to Shareholders (S\$'000)	1,733	2,719
Number of issued Shares	1,065,182,795	1,558,244,795
NTA attributable to Shareholders per Share (Singapore cents)	0.16	0.17

6.4. Gearing

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
Total borrowings (S\$'000)	431	109
Total Equity (S\$'000)	1,733	2,719
Gearing ratio (times)	0.25	0.04

LETTER TO SHAREHOLDERS

7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests (both direct and indirect) of the Directors and Substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date are as follows:

	DIRECT INTEREST		DEEMED INTEREST		TOTAL INTEREST	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors						
Lim Kee Liew @ Victor Lim	460,932,468	43.27	200,984,255 ⁽¹⁾	18.87	661,916,723	62.14
Ng Chee Wee	16,227,586	1.52	-	-	16,227,586	1.52
Chue Wai Tat	-	-	-	-	-	-
Cheah Wee Teong	-	-	-	-	-	-
Lee Teck Meng Stanley	-	-	300,000 ⁽²⁾	0.03	300,000	0.03
Substantial Shareholders (other than Directors)						
Leong Lai Heng	200,984,174	18.87	460,932,549 ⁽³⁾	43.27	661,916,723	62.14

Notes:

- (1) Lim Kee Liew @ Victor Lim's deemed interest arose through (i) 5 Shares held by Ultraline Technology (S) Pte Ltd; and (ii) 76 Shares held by American Converters Industries Pte Ltd. He is also deemed to have interest in the 200,984,174 Shares held by his spouse, Leong Lai Heng.
- (2) Lee Teck Meng Stanley deemed interest arose through Shares held by Maybank Kim Eng Securities Pte Ltd.
- (3) Leong Lai Heng's deemed interest arose through (i) 5 Shares held by Ultraline Technology (S) Pte Ltd; and (ii) 76 Shares held by American Converters Industries Pte Ltd. She is also deemed to have interest in the 460,932,468 Shares held by her spouse, Lim Kee Liew @ Victor Lim.

Save as disclosed above, the Directors and Substantial Shareholders do not have any interest, whether direct or indirect, in the Company.

8. INDEPENDENT FINANCIAL ADVISER AND AUDIT COMMITTEE STATEMENT

8.1 Independent Financial Adviser

Pursuant to Rule 921(4)(b)(i) of the Catalist Rules and in view of the Audit Committee's statement as provided under Paragraph 8.2 below, the Company is not required to appoint an independent financial adviser to advise the independent Directors as to whether the Proposed Debt Capitalisation are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

8.2 Audit Committee Statement

The Audit Committee, having reviewed the terms and conditions of the DCA, the rationale for the proposed issue of Conversion Shares, the Conversion Price and the financial effects of the proposed issue of Conversion Shares, is of the opinion that the Proposed Debt Capitalisation are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held by electronic means on 23 October 2020 at 10.30 a.m. (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modifications, the ordinary resolutions set out in the Notice of EGM (“**Ordinary Resolutions**”).

10. ACTION TO BE TAKEN BY SHAREHOLDERS

10.1. Pursuant to the COVID-19 Order, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing measures to hold a physical meeting. Due to the current COVID-19 situation and the Company’s efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the EGM will be held by way of electronic means and Shareholders will NOT be allowed to attend the EGM in person.

10.2. Alternative arrangements have therefore been put in place to allow Shareholders to participate at the EGM by:

- (a) watching the EGM proceedings via “live” audio-video webcast (“**Live Webcast**”) or listening to the EGM proceedings via “live” audio-only feed (“**Live Audio Feed**”);
- (b) submitting questions in advance of the EGM; and
- (c) voting by proxy at the EGM. Please see paragraph 10.4 below for these alternative arrangements.

The Company will not accept any physical attendance by the shareholders. Any shareholder seeking to attend the EGM in-person will be turned away.

10.3. In line with the provisions under the COVID-19 Order, there will be no despatch of printed copies of Circular, Notice of EGM and Proxy Form to Shareholders. An electronic copy of each of the Circular, Notice of EGM and Proxy Form has been made available on:

- (i) SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements>; and
- (ii) the Company’s website at the following URL: <http://asianmicro.listedcompany.com/>.

10.4 The following are the alternative arrangements which have been put in place for the EGM:

(a) Pre-Registration for Live Webcast and Live Audio Feed

- (i) The Chairman of the EGM will conduct the proceedings of the EGM by way of electronic means.
- (ii) Shareholders will be able to watch these proceedings through a Live Webcast via their mobile phones, tablets or computers or listen to these proceedings through a Live Audio Feed via telephone. In order to do so, Shareholders must follow these steps:
 - Shareholders who wish to watch/listen to the Live Webcast/Live Audio Feed of the EGM must pre-register by 10.00 a.m. on 20 October 2020 (“**Pre-registration Deadline**”), at the following URL: <https://globalmeeting.bigbangdesign.co/asianmicro/> (“**Pre-registration Website**”) for the Company to authenticate their status as Shareholders.

LETTER TO SHAREHOLDERS

- The EGM shall commence at 10.30 a.m. on 23 October 2020 (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place). Shareholders who have pre-registered for the AGM will be considered to have registered for the EGM.
- To pre-register for the Live Webcast/Live Audio Feed, kindly access the Pre-registration Website, using either the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox.
- Following the authentication of his/her/its status as a Shareholder, such Shareholder will receive an email on the login credentials, including instructions on how to access the Live Webcast/Live Audio Feed of the AGM and EGM proceedings by 12.00 p.m. on 22 October 2020.

Shareholders who do not receive an email by 12.00 p.m. on 22 October 2020, but have registered by the Pre-registration Deadline, may contact the Company at the following email address: agm_egm@asianmicro.com.sg with the following details included: (1) the full name of the Shareholder, and (2) his/her/its identification/registration number.

Investors who hold Shares through depository agents and wish to watch the Live Webcast or listen to the Live Audio Feed of the EGM must approach their respective depository agents to pre-register by 5.00 p.m. on 12 October 2020 in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

(b) Submission of questions in advance

Shareholders who pre-register to watch the Live Webcast/Live Audio Feed may also submit questions related to the resolutions to be tabled for approval at the EGM.

- (i) To do so, all questions must be submitted no later than the Pre-registration Deadline through any of the following means:
 - via the Pre-registration Website; or
 - in hard copy by depositing the same at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building Singapore 669569
- (ii) Shareholders are strongly encouraged to submit their questions via the Pre-registration Website.
- (iii) The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM via SGXNet and on our corporate website or during the EGM through the Live Webcast/Audio Feed.
- (iv) The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to above.
- (v) Please note that Shareholders will not be able to ask questions at the EGM during the Live Webcast/Live Audio Feed, and therefore it is important for Shareholders to submit their questions by the Pre-registration Deadline.

LETTER TO SHAREHOLDERS

(c) **Voting by proxy**

Shareholders will not be able to vote through the Live Webcast/Live Audio Feed on the resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit the instrument in writing (“**Proxy Form**”) to appoint the Chairman of the EGM to vote on their behalf:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
- (ii) The Chairman of the EGM, as proxy, need not be a member of the Company.
- (iii) The Proxy Form can be submitted to the Company in hard copy form or by email in the following means:
 - by depositing the hard copy at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building Singapore 669569; or
 - by sending a scanned PDF copy by email to agm_egm@asianmicro.com.sg,

in either case, no later than 10.30 a.m. on 21 October 2020 (the “**Proxy Deadline**”).

Shareholders who wish to submit a Proxy Form must first download, complete and sign the proxy form, before submitting it by depositing the hard copy to the address provided above, or scanning and sending it by email to the email address provided above.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions so that their respective relevant intermediaries may in turn submit their voting instructions by 5.00 p.m. on 12 October 2020 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf no later than the Proxy Deadline.

Members who observe the EGM proceedings are reminded that the Company’s private invitation to members to attend the EGM via Live Webcast/Live Audio Feed must not be forwarded to anyone who is not a member of the Company or who is not authorised to attend the EGM. **RECORDINGS OF THE EGM PROCEEDINGS** in whatever form is also **STRICTLY PROHIBITED**.

LETTER TO SHAREHOLDERS

11. ABSTENTIONS FROM VOTING

Lim Kee Liew @ Victor Lim, Leong Lai Heng, and each of their associates will abstain from voting on Ordinary Resolutions 1, 2 and 3, and they will also not accept nominations to act as proxy, corporate representative or attorney unless that Shareholder appointing them indicates clearly how votes are to be cast in respect of such resolutions.

Ng Chee Wee and his associates will abstain from voting on Ordinary Resolutions 1 and 4, and they will also not accept nominations to act as proxy, corporate representative or attorney unless that Shareholder appointing them indicates clearly how votes are to be cast in respect of such resolutions.

The Company will disregard any votes cast on a resolution by the person required to abstain from voting by the Catalist Rules.

All Shareholders who are required to abstain from voting pursuant to a court order must abstain, and the Company will (provided that if the abstention is pursuant to a court order, such court order is served on the Company before the EGM) procure such Shareholder to abstain, from voting in respect of the relevant resolution. Such Shareholder will also not accept nominations to act as proxy in respect of the relevant resolution unless the Shareholder concerned has provided specific instructions as to voting. The Company will disregard any votes cast on the relevant resolution by such Shareholder (who is required to abstain from voting pursuant to a court order where such court order is served on the Company before the EGM).

12. DIRECTORS' CONFIRMATION

The Proposed Debt Capitalisation will not result in any new cash proceeds for the Company. The Directors are of the opinion that, after taking into consideration the present bank facilities, internal resources and operating cashflow, the working capital available to the Group is sufficient to meet its present requirements.

13. DIRECTORS' RECOMMENDATION

Having considered the terms and the rationale for the DCA and the Proposed Debt Capitalisation, the Directors (save for Lim Kee Liew @ Victor Lim and Ng Chee Wee) are of the opinion that the DCA and the Proposed Debt Capitalisation are in the interests of the Company. Accordingly, the Directors (save for Lim Kee Liew @ Victor Lim and Ng Chee Wee) recommend that Shareholders vote in favour of Ordinary Resolutions to be proposed at the EGM as stated in the Notice of EGM on pages N-1 to N-5 of this Circular.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the DCA, the Proposed Debt Capitalisation, and the proposed issue of the Conversion Shares, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 Circular in its proper form and context.

LETTER TO SHAREHOLDERS

15. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building, Singapore 669569, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company; and
- (b) the DCA.

Yours faithfully
For and on behalf of the Board of Directors of
Asian Micro Holdings Limited

Toh Li Ping, Angela
Company Secretary

NOTICE OF EXTRAORDINARY GENERAL MEETING

ASIAN MICRO HOLDINGS LIMITED

(Company Registration Number: 199701052K)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**Meeting**”) of Asian Micro Holdings Limited (the “**Company**”) will be held by electronic means on 23 October 2020 at 10.30 a.m. (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without amendments) the following ordinary resolutions:-

All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Circular to the Shareholders of the Company dated 7 October 2020.

ORDINARY RESOLUTION 1

APPROVAL OF THE DCA AND PROPOSED DEBT CAPITALISATION

THAT:

- (a) the execution of the conditional Novation and Debt Capitalisation Agreement entered into between the Company, ACI Industries Pte Ltd, AM NGV (S) Pte Ltd, Lim Kee Liew @ Victor Lim, Leong Lai Heng and Ng Chee Wee dated 24 August 2020 (“**DCA**”) be and is hereby approved, confirmed and ratified;
- (b) the transactions contemplated under the DCA, including but not limited to the Proposed Debt Capitalisation be and is hereby approved, confirmed and ratified; and
- (c) the Directors of the Company and each of them be and is hereby authorised to complete and do all such acts and things, including without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents as they may consider necessary, desirable or expedient to give full effect to the DCA and this Resolution.

ORDINARY RESOLUTION 2

APPROVAL OF ISSUE OF 362,658,500 NEW SHARES TO LIM KEE LIEW @ VICTOR LIM (AND/OR HIS NOMINEES)

THAT:

- (a) subject to and contingent upon the passing of Ordinary Resolution 1 above, the Directors be and are hereby authorised to allot and issue 362,658,500 new Shares to Lim Kee Liew @ Victor Lim (and/or his nominees), at the issue price of S\$0.002 per Share, on the terms and subject to the conditions of the DCA;
- (b) pursuant to Rule 812 of the Catalist Rules, approval be and is hereby given for the allotment and issuance of 362,658,500 new Shares to Lim Kee Liew @ Victor Lim (and/or his nominees), a director and controlling shareholder of the Company;
- (c) pursuant to Rule 906(1)(a) of the Catalist Rules, approval be and is hereby given for the Proposed Debt Capitalisation, being an interested person transaction; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the Directors of the Company and each of them be and is hereby authorised to complete and do all such acts and things, including without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents as they may consider necessary, desirable or expedient to give full effect to this Resolution.

ORDINARY RESOLUTION 3

APPROVAL OF ISSUE OF 118,403,500 NEW SHARES TO LEONG LAI HENG (AND/OR HER NOMINEES)

THAT:

- (a) subject to and contingent upon the passing of Ordinary Resolution 1 above, the Directors be and are hereby authorised to allot and issue 118,403,500 new Shares to Leong Lai Heng (and/or her nominees), at the issue price of S\$0.002 per Share, on the terms and subject to the conditions of the DCA;
- (b) pursuant to Rule 812 of the Catalist Rules, approval be and is hereby given for the allotment and issuance of 118,403,500 new Shares to Leong Lai Heng (and/or her nominees), a controlling shareholder of the Company; and
- (c) the Directors of the Company and each of them be and is hereby authorised to complete and do all such acts and things, including without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents as they may consider necessary, desirable or expedient to give full effect to this Resolution.

ORDINARY RESOLUTION 4

APPROVAL OF ISSUE OF 12,000,000 NEW SHARES TO NG CHEE WEE (AND/OR HIS NOMINEES)

THAT:

- (a) subject to and contingent upon the passing of Ordinary Resolution 1 above, the Directors be and are hereby authorised to allot and issue 12,000,000 new Shares to Ng Chee Wee (and/or his nominees), at the issue price of S\$0.002 per Share, on the terms and subject to the conditions of the DCA;
- (b) pursuant to Rule 812 of the Catalist Rules, approval be and is hereby given for the allotment and issuance of 12,000,000 new Shares to Ng Chee Wee (and/or his nominees), a director of the Company; and
- (c) the Directors of the Company and each of them be and is hereby authorised to complete and do all such acts and things, including without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents as they may consider necessary, desirable or expedient to give full effect to this Resolution.

BY ORDER OF THE BOARD
Toh Li Ping, Angela
Company Secretary

Singapore
7 October 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

General

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing measures to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the EGM will be held by way of electronic means and the member will NOT be allowed to attend the EGM in person.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Company's circular dated 7 October 2020 which has been uploaded together with this Notice of EGM on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: <http://asianmicro.listedcompany.com/> on the same day.

Participation in EGM proceedings via "Live Webcast/Live Audio Feed"

3. A member will be able to participate at the EGM by watching the EGM proceedings via a "live" audio-video webcast via mobile phones, tablets or computers or listening to the proceedings through a "live" audio-only feed ("**Live Webcast/Live Audio Feed**"). In order to do so, a member must pre-register by **10.00 a.m. on 20 October 2020** ("**Pre-registration Deadline**"), at the following URL: <https://globalmeeting.bigbangdesign.co/asianmicro/> ("**Pre-registration Website**") for the Company to authenticate his/her/its status as members.
4. To pre-register the Live Webcast/Live Audio Feed, kindly access the Pre-registration Website, using either the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox.
5. Following the authentication of his/her/its status as a member, such member will receive an email on their authentication status and login credentials, including instructions on how to access the Live Webcast/Live Audio Feed of the proceedings of the EGM by **12.00 p.m. on 22 October 2020**.
6. Members who do not receive an email by **12.00 p.m. on 22 October 2020**, but have registered by the Pre-registration Deadline, may contact the Company at the following email address: agm_egm@asianmicro.com.sg with the following details included: (1) the full name of member, and (2) his/her/its identification/registration number.
7. Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the Live Webcast or listen to the Live Audio Feed of the EGM must approach their respective depository agents to pre-register by **5.00 p.m. on 12 October 2020** in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

Submission of Questions prior to the EGM

8. A member who pre-registers to watch/listen the Live Webcast/Live Audio Feed may also submit questions related to the resolutions to be tabled for approval at the EGM. To do so, all questions must be submitted no later than the Pre-registration Deadline through any of the following means:
 - (a) via the Pre-registration Website; or
 - (b) in hard copy by depositing the same at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building Singapore 669569.
9. Shareholders are strongly encouraged to submit their questions via the Pre-registration Website.

NOTICE OF EXTRAORDINARY GENERAL MEETING

10. The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM via SGXNet and on our corporate website or during the EGM through the Live Webcast/Live Audio Feed.

Voting by Proxy

11. **A member will not be able to vote through the Live Webcast/Live Audio Feed. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the EGM as proxy ("**Proxy Form**"), failing which the appointment will be treated as invalid.
12. The Proxy Form for the EGM can be accessed at the Company's website at the following URL: <http://asianmicro.listedcompany.com/>, and is made available with this Notice of EGM on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> on the same day.
13. The Chairman of the EGM, as a proxy, need not be a member of the Company.
14. The Proxy Form must be submitted to the Company in the following manner:
- (a) by depositing a hard copy by post at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building Singapore 669569; or
 - (b) by sending a scanned PDF copy by email to agm_egm@asianmicro.com.sg.
- in either case, no later than **10.30 a.m. on 21 October 2020** ("**Proxy Deadline**").
15. A member who wishes to submit a Proxy Form must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.
16. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**
17. The instrument appointing the Chairman of the EGM as proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
18. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the EGM as proxy).
19. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by **5.00 p.m. on 12 October 2020** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf no later than the Proxy Deadline.

NOTICE OF EXTRAORDINARY GENERAL MEETING

20. In the case of a member whose Shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

No Despatch of physical copies

21. The following documents are made available to members on **7 October 2020** together with this Notice of EGM via SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: <http://asianmicro.listedcompany.com/>:
- (a) Circular in respect of (1) the proposed conversion of the Participating Debts (as defined in the Circular) into new shares of the Company at the issue price of S\$0.002 per share; (2) the proposed issue of 493,062,000 new shares to the Participating Creditors (as defined in the Circular), being directors and/or controlling shareholders, pursuant to the conversion of the Participating Debts (as defined in the Circular); and
 - (b) Proxy Form in relation to the EGM.
22. There will be no despatch of printed copies of Circular, Notice of EGM and Proxy Form. Members are advised to check SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://asianmicro.listedcompany.com/> for the aforesaid documents.

Personal data privacy:

By pre-registering for the Live Webcast/Live Audio Feed, submitting a Proxy Form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

PROXY FORM

ASIAN MICRO HOLDINGS LIMITED
(Company Registration No. 199701052K)
(Incorporated in the Republic of Singapore)

PROXY FORM

This form of proxy has been made available on SGXNet at the following URL

<https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL
<http://asianmicro.listedcompany.com/>

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Extraordinary General Meeting ("EGM" or "Meeting") are set out in the Company's announcement dated 7 October 2020 which has been uploaded together with this proxy form on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: <http://asianmicro.listedcompany.com/> on the same day.
2. A member will not be able to attend the EGM in person. Please see Note 3 below for further details.
3. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 7 October 2020.
4. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the EGM to ensure their votes are submitted.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the EGM.

I/We*, _____ (Name) NRIC No./Passport No./Co. Reg No.* _____ of _____ (Address)

being a member/members* of Asian Micro Holdings Limited (the "Company") hereby appoint the **Chairman of the Meeting**, as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM" or the "Meeting") of the Company to be held by way of electronic means via "live" audio-video webcast or "live" audio-only feed ("**Live Webcast/Live Audio Feed**") on **Friday, 23 October 2020 at 10.30 a.m.** (Singapore time) (or immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.**)

The proxy shall vote on the Resolutions set out in the Notice of EGM dated 7 October 2020 in accordance with my/our directions as indicated hereunder.

No.	Ordinary Resolution relating to:	Number of Votes For**	Number of Votes Against**	Abstain**
1	Approval of the DCA and Proposed Debt Capitalisation			
2	Approval of Issue of 362,658,500 Shares to Lim Kee Liew @ Victor Lim (and/or his nominees)			
3	Approval of Issue of 118,403,500 Shares to Leong Lai Heng (and/or her nominees)			
4	Approval of Issue of 12,000,000 Shares to Ng Chee Wee (and/or his nominees)			

* Delete accordingly

** If you wish to abstain or exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2020

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

Total No. of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
 2. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing measures to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the EGM will be held by way of electronic means and member will NOT be allowed to attend the EGM in person.
 3. A member will not be able to vote through the Live Webcast/Live Audio Feed. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
 4. The Chairman of the Meeting, as a proxy, need not be a member of the Company.
 5. This Proxy Form must be submitted to the Company in the following manner:
 - (a) by depositing a hard copy at the registered office of the Company at 63 Hillview Avenue #08-01 Lam Soon Industrial Building Singapore 669569; or
 - (b) by sending a scanned PDF copy by email to agm_egm@asianmicro.com.sg
- in either case, no later than **10.30 a.m. on 21 October 2020, and failing which, this Proxy Form will not be treated as valid.**
6. A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.
 7. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**
 8. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

Where this Proxy Form is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
- (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing this Proxy Form under hand and submitting a scanned copy of the signed Proxy Form by email.

Where this Proxy Form is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated **7 October 2020**.