



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting of the Company will be held at Garden Room A-B, 2nd Floor, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 8 September 2006 at 10:30 a.m. (or so soon thereafter as the annual general meeting of the Company convened for the same place and date at 10:00 a.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution of the Company:

SPECIAL RESOLUTION

“THAT the existing Bye-Laws of the Company be and are hereby amended in the following manner:–

(a) Bye-Law 70

(1) By adding the words “a poll is taken as may from time to time be required under the rules of the stock exchange in the Relevant Territory or” immediately after the word “unless” in the fourth line of the first paragraph of the existing Bye-Law 70;

(2) By deleting the full-stop at the end of Bye-Law 70 (iv) and substituting therefor a semicolon and the word “or” and inserting the following new Bye-Law 70 (v) immediately after Bye-Law 70 (iv):–

“(v) if required by the rules of the stock exchange in the Relevant Territory, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. or more of the total voting rights of all the members having the right to vote at the meeting.”

(3) By adding the words “a poll is taken as may from time to time be required under the rules of the stock exchange in the Relevant Territory or unless” immediately after the word “Unless” at the beginning of the second paragraph of the existing Bye-Law 70;

(b) Bye-Law 71

By inserting the following sentence at the end of the existing Bye-Law 71:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the stock exchange in the Relevant Territory.”

(c) Bye-Law 99

By deleting the existing Bye-Law 99 in its entirety and substituting therefor the following new Bye-Law and its marginal note:

Retirement of Directors 99. Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules of the stock exchange in the Relevant Territory and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that (i) save for a Director holding office as Chairman or Managing Director, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years, and (ii) no Director holding office as Chairman or Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.

(d) Bye-Law 102

By re-numbering the existing Bye-Law 102 as Bye-Law 102 (A) and adding the following new Bye-Law 102 (B) immediately after Bye-Law 102 (A):

“(B) The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at such meeting.”

(e) Bye-Law 176

By re-numbering the existing Bye-Law 176 as Bye-Law 176 (A) and adding the following new Bye-Law 176 (B) immediately after Bye-Law 176 (A):

“(B) Notwithstanding any provision contained in these Bye-Laws, the Directors may, if permitted by the applicable law and Statutes, authorize the destruction of documents set out in paragraphs (a) to (d) of Bye-Law 176(A) and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Bye-Law shall apply only to the destruction of a document in good faith and without express notice to the Company or its share registrar that the preservation of such documents was relevant to a claim.

(f) Bye-Law 182

By deleting Bye-Laws 182 (vii) and 182(viii) in their entirety and substituting therefor the word “Deleted”

and **THAT** the Directors of the Company be and hereby authorized to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit in order to effect and complete any of the foregoing.”

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 15 August 2006

As at the date of this announcement, the Board comprises the following members:

Executive directors:

Chan Sik Ming, Harry (*Chairman & CEO*)
Motofumi Tsumura
Hiroto Sasaki
Hiroyuki Kikuchi
Au-Yeung Wai Hung

Independent non-executive directors:

Kohu Kashiwagi
Chan Yuk Tong
Li Chi Kwong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with the Company’s branch registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting if the member so wishes.

*Please also refer to the published version of this announcement in
China Daily and Hong Kong Economic Times.*