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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 0567)

ANNOUNCEMENT DELAY IN DESPATCH OF CIRCULAR

The Company has applied to the Stock Exchange for an extension of the latest time for despatch of the circular to on or before 28 February 2007.

The Company had pursuant to an announcement dated 29 January 2007 (the “**Announcement**”) announced the continuing connected transactions relating to the Transactions. Capitalised terms used in this announcement have the same meanings as defined in the Announcement.

Pursuant to Rule 14A.49 of the Listing Rules, the Company is required to despatch a circular to the Shareholders setting out, inter alia, further information relating to the Transactions within 21 days after the date of publication of the Announcement. As the Announcement was published on 30 January 2007, the circular in relation to the Transactions should be despatched to the Shareholders on or before 20 February 2007. Due to the intervening Chinese New Year statutory holiday from 17 February to 20 February 2007 (both days inclusive), the Company has to despatch the circular on 16 February 2007 at the latest in order to comply with Rule 14A.49.

As the letter from the Independent Board Committee and the letter of advice from the independent financial adviser have not been finalized, it is impossible for the circular to be despatched on 16 February 2007 and additional time will be required to prepare for the despatch of the circular. In view of the progress of clearance of the circular by the Stock Exchange and the intervening Chinese New Year statutory holiday, the Company has applied to the Stock Exchange for an extension of the latest time for despatch of the circular to on or before 28 February 2007.

By Order of the Board
DAISHO MICROLINE HOLDINGS LIMITED
CHAN Sik Ming, Harry
Chairman

Hong Kong, 16 February 2007

As at the date of this announcement, the Board comprises of eight Directors, of whom Mr. CHAN Sik Ming, Harry (Chairman & CEO), Mr. Motofumi TSUMURA, Mr. Hiroto SASAKI, Mr. Hiroyuki KIKUCHI and Mr. AU-YEUNG Wai Hung are the executive Directors; and Mr. Kohu KASHIWAGI, Mr. CHAN Yuk Tong and Dr. LI Chi Kwong are the independent non-executive Directors.

Please also refer to the published version of this announcement in International Herald Tribune and Hong Kong Economic Times.