

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

UPDATE ON THE FIRE ACCIDENT AND RESUMPTION OF TRADING

The Management estimates that about 50% of the production capacity of the principal printed circuit board production base of the Group in Huizhou, the People's Republic of China can be resumed prior to 22 February 2013. The Management also estimates that the production capacity of the Group will be gradually resumed to normal level but the whole process will take two to three months further.

The Group has insured for not only property including building, machinery and stock in the principal printed circuit board production base of the Group but also loss of profits due to business interruption. The Group is currently working closely with the loss adjustor as appointed by the relevant insurance company to ascertain the damage or loss resulting from the fire accident. Although the financial impact of the fire accident on the Group is still under review and has not been quantified yet, it is likely that the fire accident will adversely affect the operating performance of the Group in the second half of the financial year ending 31 March 2013. However, the Management considers that the Group with sound financial position and sufficient liquid resources can overcome the difficulty and sustain its continuous operation.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 20 February 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Daisho Microline Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcements of the Company dated 24 January 2013 and 30 January 2013.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the management of the Group (the “**Management**”) estimates that about 50% of the production capacity of the principal printed circuit board production base of the Group in Huizhou, the People’s Republic of China can be resumed prior to 22 February 2013 even though certain production machinery was damaged resulting from the fire accident occurred on 24 January 2013. The Management also estimates that the production capacity of the Group will be gradually resumed to normal level but the whole process will take two to three months further.

Because all production lines in the principal printed circuit board production base of the Group have stopped since the fire accident occurred on 24 January 2013 due to the production recovery action and the Chinese New Year holidays in the intervening period, all shipments to the customers of the Group were inevitably affected. The Management has tried all means so as to alleviate the impact to the customers. The Management will continue to negotiate with the customers on the disposition of the outstanding sales orders and future business in order to arrive at mutually acceptable solutions.

The Group has insured for not only property including building, machinery and stock in the principal printed circuit board production base of the Group but also loss of profits due to business interruption. The Group is currently working closely with the loss adjustor as appointed by the relevant insurance company to ascertain the damage or loss resulting from the fire accident. Although the financial impact of the fire accident on the Group is still under review and has not been quantified yet, it is likely that the fire accident will adversely affect the operating performance of the Group in the second half of the financial year ending 31 March 2013. However, the Management considers that the Group with sound financial position and sufficient liquid resources can overcome the difficulty and sustain its continuous operation.

The Company will further update the Shareholders and potential investors on the development in the aftermath of the fire accident in due course.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 24 January 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 20 February 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
CHAN Sik Ming, Harry
Chairman

Hong Kong, 19 February 2013

As at the date of this announcement, the Board consists of four executive directors, namely, CHAN Sik Ming Harry, AU-YEUNG Wai Hung, Yoshio HANDA and Shozo SUGAYA, and three independent non-executive directors, namely, CHAN Yuk Tong, LI Chi Kwong and YEUNG Chi Shing Bret.