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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

VOLUNTARY ANNOUNCEMENT - INTENTION TO DISPOSE OF THE INVESTMENT IN A JOINTLY-CONTROLLED ENTITY IN THE P.R.C.

The board of directors (the “**Board**”) of Daisho Microline Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that the Group intends to dispose of its investment (the “**Investment**”) in a jointly-controlled entity (the “**Joint Venture Enterprise**”) engaging in the business of real estate development in the People’s Republic of China (“**P.R.C.**”) in order to enhance the Group’s working capital level.

The Joint Venture Enterprise currently holds a piece of land in Huizhou of Guangdong province of the P.R.C. and it has not commenced any real estate development project so far. The statutory deadline for the commencement of the construction works on that piece of land (as approved by the relevant government authority for postponement) is 20 September 2013. The Group currently holds 50% equity interest in the Joint Venture Enterprise and the total amount invested by the Group in the Joint Venture Enterprise is RMB44 million (equivalent to approximately HK\$56 million).

The Group will negotiate with other parties (including the partner in the Joint Venture Enterprise) in respect of the disposal of the Investment. Up to the date of this announcement, no agreement has been reached. Hence, the Group’s intention alone does not constitute a notifiable transaction under The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the moment. However, it is likely that any agreement reached in this respect subsequently may constitute a major transaction under the Listing Rules and the Board will comply with the applicable Listing Rules, including the making of further announcement and the obtaining of approval from the shareholders of the Company (“**Shareholders**”).

The intention to dispose of the Investment may or may not be realised. In the meantime, Shareholders and potential investors are advised to exercise caution when dealing in the listed securities of the Company.

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 17 June 2013

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