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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

RESIGNATION OF AUDITOR

The board of directors (the “**Board**”) of Daisho Microline Holdings Limited (the “**Company**”) announces that on 30 May 2016, the Company received a letter of resignation dated 26 May 2016 from Crowe Horwath (HK) CPA Limited (“**Crowe Horwath**”) in respect of their resignation as the auditor of the Company with effect from 26 May 2016 (the “**Resignation Letter**”). In the Resignation Letter, it is stated that in reaching this decision, Crowe Horwath have taken into account many factors including the professional risk associated with the audit, the level of audit fees and their available internal resources in the light of the current work flows. Crowe Horwath have also taken into account that their additional audit procedures required in response to the Consultant Report (as referred to in the announcement of the Company dated 31 March 2016) will involve a substantial amount of additional time and manpower, and that a consensus could not be reached with the Company on the additional audit fees and the audit time table.

Crowe Horwath has confirmed in the Resignation Letter that from their perspective there are no matters nor circumstances in respect of their resignation as the auditor of the Company in addition to those noted above that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”). The Board also confirms that there are no matters in respect of the resignation of Crowe Horwath as the auditor of the Company in addition to those noted above that need to be brought to the attention of the Shareholders.

The Company is seeking a new audit firm to act as the Company’s auditor as soon as possible and will keep the Shareholders informed of the progress in due course.

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 31 May 2016

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

Executive Directors:

CHAN Sik Ming, Harry (*Chairman & CEO*)
AU-YEUNG Wai Hung
CHEUNG Lai Na

Independent Non-executive Directors:

LI Chi Kwong
YEUNG Chi Shing, Bret
LEUNG King Fai