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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Daisho Microline Holdings Limited (the “**Company**”) will be held at Room 631, 6/F, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Tuesday, 8 August 2017 at 11:30 a.m. (or as soon thereafter as the annual general meeting of the Company to be held at 10:30 a.m. on the same day and at the same place has been concluded or adjourned) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution which will be proposed as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the conditional placing agreement dated 28 November 2016 entered into between the Company and Kingston Securities Limited (the “**Placing Agent**”) as supplemented and amended by the supplemental placing agreement dated 26 May 2017 entered into between the Company and the Placing Agent (the “**Placing Agreement**”) pursuant to which the Placing Agent has conditionally agreed to procure not less than six independent placees, on a best effort basis, to subscribe for Convertible Bonds up to the principal amount of HK\$80 million (the “**Convertible Bonds**”) entitling the holders thereof to convert the principal amount thereof into ordinary shares of the Company (the “**Conversion Shares**”) at the initial conversion price of HK\$0.36 (subject to adjustment) per Conversion Share, a copy of the aforesaid placing agreement marked “A” and a copy of the aforesaid supplemental placing agreement marked “B” have been produced at the special general meeting and initialed by the chairman of the special general meeting for the purpose of identification, and all the transactions contemplated thereunder (including the allotment and issue of the Conversion Shares of the Convertible Bonds pursuant thereto) be and are hereby approved, confirmed and ratified;
- (b) subject to the fulfillment and/or waiver of the conditions set out in the Placing Agreement, the directors of the Company (the “**Directors**”) be and are hereby authorised to issue the Convertible Bonds in accordance with the terms and conditions of the Placing Agreement;

- (c) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares to be allotted and issued, the Directors be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue the Conversion Shares; and
- (d) any Director be and is hereby authorised to exercise all powers of the Company and take all steps as might in his opinion be desirable, necessary or expedient to give effect to or in connection with the Placing Agreement including without limitation to:
 - (i) the execution, amendment, supplement, delivery, submission and/or implementation of any further documents or agreements in relation to the Placing Agreement, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares; and
 - (ii) the taking of all necessary actions to implement the transactions contemplated under the Placing Agreement.”

By order of the Board
Daisho Microline Holdings Limited
Cheung Lai Na
Chairman

Hong Kong, 21 July 2017

Principal place of business:

Units 1–2, 16/F.
Nan Fung Commercial Centre
19 Lam Lok Street
Kowloon Bay
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to attend and, on a poll vote in his stead. A proxy need not be a member of the Company.
2. A proxy form for the meeting is enclosed. In order 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 of such power of attorney must be deposited with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
3. As at the date of this notice, the Board comprises two executive Directors, namely, CHEUNG Lai Na and CHEUNG Lai Ming, one non-executive Director, namely, LEE Man Kwong, and three independent non-executive Directors, namely, YEUNG Chi Shing Bret, LEUNG King Fai and CHOU Yuk Yan.