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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

COMPLETION OF PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

References are made to the circular of the Company dated 21 July 2017 (the “**Circular**”) and the announcement of the Company dated 7 September 2017, in relation to, amongst other things, the Placing. Unless otherwise stated, capitalised terms used herein shall have the same meaning as defined in the Circular.

COMPLETION OF THE PLACING

The Board is pleased to announce that all Conditions Precedent have been fulfilled and the completion of the Placing took place on 22 September 2017 in accordance with the terms and conditions of the Placing Agreement (as amended by the letter agreement dated 7 September 2017 for extension of long stop date as disclosed in the announcement of the Company dated 7 September 2017). Under the Placing, Convertible Bonds with an aggregate principal amount of HK\$80,000,000 have been successfully placed to not less than six Placees.

Based on the initial Conversion Price of HK\$0.36 per Conversion Share, 222,222,222 Conversion Shares will be allotted and issued by the Company upon exercise in full of the conversion rights attaching to the Convertible Bonds successfully placed, representing approximately 27.83% of the total issued share capital of the Company as enlarged by the issue of such Conversion Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Conversion Shares since the date of this announcement up to the date of conversion of the Convertible Bonds in full).

To the best of the knowledge, information and belief of the Board having made all reasonable enquiries, the Placees (being independent professional, institutional and/or private investors) and their respective ultimate beneficial owners are Independent Third Parties, and none of the Placees has become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the subscription of the Convertible Bonds placed to it assuming all such Convertible Bonds are fully converted on the date of subscription.

The net proceeds raised from the Placing are approximately HK\$77 million. Assuming the conversion rights of all the Convertible Bonds are exercised at the initial Conversion Price of HK\$0.360, the net price for the Placing is approximately HK\$0.347 per Conversion Share.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon conversion of the Convertible Bonds in full at the initial Conversion Price (assuming that there is no change in the issued share capital of the Company other than the issue of the Conversion Shares since the date of this announcement up to the date of conversion of the Convertible Bonds in full):

Shareholders	As at the date of this announcement		Immediately after full conversion of the Convertible Bonds	
	Number of Shares held (Shares)	Percentage of shareholding (approx.) (%)	Number of Shares held (Shares)	Percentage of shareholding (approx.) (%)
Cheung Ling Mun ^(Note 1)	120,068,000	20.84	120,068,000	15.04
Daisho Denshi Co., Ltd.	50,000,000	8.68	50,000,000	6.26
Bondholders ^(Note 2) and other public Shareholders	406,175,785	70.48	628,398,007	78.70
Total:	576,243,785	100.00	798,466,007	100.00

Notes:

- Ms. Cheung Lai Na, an executive Director and the daughter of Mr. Cheung Ling Mun, holds 120,680,000 Shares in trust for Mr. Cheung Ling Mun.
- Upon exercise in full of the conversion rights attaching to the Convertible Bonds based on the initial Conversion Price of HK\$0.36 per Conversion Share, 222,222,222 Conversion Shares will be allotted and issued to the Bondholders, representing approximately 27.83% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares.

By order of the Board
Cheung Lai Na
Chairman

Hong Kong, 22 September 2017

As at the date of this announcement, the Board consists of 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.