

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)

DISCLOSEABLE TRANSACTION INVESTING IN REAL ESTATE DEVELOPMENT IN THE PRC

On 19 October 2010, the board of directors of Hua Rui, a joint venture enterprise in which interest is owned as to 50% by Huafeng, a wholly-owned subsidiary of the Company and as to the other 50% by Yi Rui, resolved that Huafeng and Yi Rui will in proportion to their interest in Hua Rui, each invest RMB40,000,000 (equivalent to approximately HK\$46,720,000) in cash into Hua Rui.

On 21 October 2010, the board of directors of Huafeng and Yi Rui resolved that the Investment, pursuant to which Huafeng and Yi Rui will in proportion to their interest in Hua Rui, each invest RMB40,000,000 (equivalent to approximately HK\$46,720,000) in cash into Hua Rui, be approved.

The Investment constitutes a discloseable transaction of the Company under the Listing Rules.

INFORMATION ON THE INVESTMENT

On 19 October 2010, the board of directors of Hua Rui, a joint venture enterprise in which interest is owned as to 50% by Huafeng, a wholly-owned subsidiary of the Company and as to the other 50% by Yi Rui, resolved that Huafeng and Yi Rui will in proportion to their interest in Hua Rui, each invest RMB40,000,000 (equivalent to approximately HK\$46,720,000) in cash into Hua Rui.

On 21 October 2010, the board of directors of Huafeng and Yi Rui resolved that the Investment, pursuant to which Huafeng and Yi Rui will in proportion to their interest in Hua Rui, each invest RMB40,000,000 (equivalent to approximately HK\$46,720,000) in cash into Hua Rui, be approved.

Parties to the Investment

Parties: (1) Huafeng, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, whose principal business activity is the manufacture of printed circuit boards; and

(2) Yi Rui, a company established in the PRC with limited liability, whose principal business activity is real estate development.

Date on: 21 October 2010
which
Investment
is approved

Nature: Investment

The Company confirms, that, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Yi Rui and each of its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

INVESTMENT

Pursuant to the Investment, Huafeng and Yi Rui have agreed to, in proportion to their interest in Hua Rui, each invest RMB40,000,000 (equivalent to approximately HK\$46,720,000) in cash into Hua Rui.

Investment Amount

The Investment Amount has been determined by the board of directors of Hua Rui, who intend to use such funds for the purpose of acquiring land in Huizhou which in its view is reasonable in price and suitable for real estate development. The board of directors of Hua Rui is of the view that given what Hua Rui's current business strategy is, it will be appropriate for Hua Rui to acquire land in Huizhou for a consideration equal to or below the Investment Amount.

INFORMATION ON HUA RUI

Hua Rui is a company established in Huizhou, PRC in 2009 with a registered capital of RMB8,000,000 and interest therein was acquired by Huafeng and Yi Rui in equal proportions, who each paid a consideration of RMB4,000,000 in cash, on 5 October 2010. Hua Rui has not undertaken any real estate development project yet and it is intended that it will be principally engaged in the business of real estate development.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Group is principally engaged in investment holding and the manufacture and trading of printed circuit boards. The Group is looking to diversify its businesses in order to maximize growth and given that the factories of the Group have principally been located in Huizhou for many years, the Board is familiar with and has a presence in Huizhou and considers that there is growth potential for real estate development in Huizhou.

The Group intends to, while maintaining its printed circuit boards manufacturing business, allocate resources into real estate development via Hua Rui, in order to diversify the Group's businesses.

The Board is of the view that now is an appropriate time for the Group to diversify so as to enjoy more investment return from Hua Rui in the foreseeable future.

In view of the above, the Directors believe that the terms of the Investment are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REQUIREMENTS UNDER THE LISTING RULES

As the relevant percentage ratios under Rule 14.07 of the Listing Rules for the Investment are above 5% but below 25%, the Investment constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is therefore not subject to Shareholders' approval under the Listing Rules but subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

GENERAL

The principal business activity of the Company is investment holding. The principal business activities of the subsidiaries of the Company are investment holding and the manufacture and trading of printed circuit boards.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Company”	Daisho Microline Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	Director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huafeng”	Huafeng Microline (Huizhou) Circuits Limited (華鋒微綫電子(惠州)工業有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Hua Rui”	惠州市華瑞房地產開發有限公司, a company established in the PRC with limited liability managed as a joint venture enterprise by Huafeng and Yi Rui
“Huizhou”	Huizhou, a city located in Guangdong province of the PRC
“Investment”	the investment having been approved by the board of directors of Huafeng and Yi Rui, pursuant to which Huafeng and Yi Rui have agreed to, in proportion to their interest in Hua Rui, each invest RMB40,000,000 (equivalent to approximately HK\$46,720,000) in cash into Hua Rui
“Investment Amount”	the amount of money to be invested by Huafeng and Yi Rui under the Investment, being a total of RMB80,000,000 in cash
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yi Rui”	惠州億瑞實業有限公司, a company established in the PRC with limited liability
“%”	per cent

Note: For information purpose only, the translation of RMB to HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.168.

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 21 October 2010

As at the date of this announcement, the Board consists of five executive directors, namely, CHAN Sik Ming, Harry, Motofumi TSUMURA, Hiroto SASAKI, Hiroyuki KIKUCHI and AU-YEUNG Wai Hung, and three independent non-executive directors, namely, Kohu KASHIWAGI, CHAN Yuk Tong and LI Chi Kwong.