



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 Units B12-16, 3rd Floor, Block B, Hoplite Industrial Centre, 3-5 Wang Tai Road, Kowloon Bay, Hong Kong on Friday, 16 March 2007 at 10:30 a.m. 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) an agreement dated 29 January 2007 (the “Sales Agreement”) made between (i) Daisho Denshi (H.K.) Limited as the purchaser and (ii) Daisho Microline Limited as the supplier, in relation to, among other things, the sale and purchase of printed circuit boards, a copy of which marked “A” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder (the “Transactions”) be and are hereby approved, ratified and confirmed;
- (b) the proposed maximum aggregate annual values of the Transactions of HK\$132,000,000, HK\$158,000,000 and HK\$190,000,000 respectively for each of the three financial years ending 31 March 2010 (collectively, the “Annual Caps”) be and are hereby approved; and

any one director of the Company be and is hereby authorised on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as he may in his discretion consider necessary, desirable or expedient to implement and/or to give effect to or otherwise in connection with the Sales Agreement, the Transactions and the Annual Caps.”

By order of the Board
CHAN Sik Ming, Harry
Chairman

Hong Kong, 27 February 2007

Principal place of business:

Units B12-16, 3rd Floor
Block B, Hoplite Industrial Centre
3-5 Wang Tai Road
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 with the circular of the Company dated 27 February 2007. 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, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting as the case may be.
3. The Ordinary Resolution as set out above will be determined by way of a poll.
4. In accordance with the Listing Rules, Daisho Denshi Co., Ltd. and its associates (as defined in the Listing Rules) are required to abstain from voting in respect of the Ordinary Resolution.

As at the date of this announcement, the Board comprises of eight Directors, of whom Mr. CHAN Sik Ming, Harry (Chairman & CEO), Mr. Motofumi TSUMURA, Mr. Hiroto SASAKI, Mr. Hiroyuki KIKUCHI and Mr. AU-YEUNG Wai Hung are the executive Directors; and Mr. Kohu KASHIWAGI, Mr. CHAN Yuk Tong and Dr. LI Chi Kwong are the independent non-executive Directors.

*Please also refer to the published version of this announcement in
China Daily and Hong Kong Economic Times.*