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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

MAJOR TRANSACTION

PROPOSED CHANGE OF LAND USE

Reference is made to the circular of the Company dated 13 January 2011 (the “**Circular**”) in relation to the Transaction. Unless otherwise stated, terms used in this announcement shall have the same meanings as those used in the Circular.

As announced in the announcement of the Company dated 28 January 2011, the ordinary resolution for approving the Transaction was duly passed by Shareholders by way of poll at the SGM held on Friday, 28 January 2011.

As of the date hereof, the Company has however not received any notification regarding the Transaction and therefore, the terms of the Contract are unknown and it has not been signed. As the mandate granted by the Shareholders to the Company for, amongst others, the signing of the Contract was only valid for three (3) months from the date of the ordinary resolution as stated above, the mandate has lapsed.

The Company will inform the Shareholders and re-comply with the Listing Rules if there is progress with respect to the Transaction.

By order of the Board
Daisho Microline Holdings Limited
CHAN Sik Ming, Harry
Chairman

Hong Kong, 13 May 2011

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.