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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

PROFIT WARNING

This announcement is made by Daisho Microline Holdings Limited (the “**Company**”) (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the Group is expected to record a substantial increase in loss attributable to the equity holders of the Company for the six months ended 30 September 2019, compared with a loss attributable to the equity holders of the Company of HK\$16.9 million for the six months ended 30 September 2018.

The expected increase in loss attributable to the equity holders of the Company for the six months ended 30 September 2019 was mainly attributable to the following:

- (1) loss allowance of the deposit of HK\$14,574,000 paid for the acquisition of the two of the four vessels pursuant to the Sale and Purchase Agreement dated 29 September 2017 which was terminated subsequently by the deadline and the Vendor would not be able to fulfill its obligation to return the Third Deposit to the Company by the prescribed deadline, the details of which had been disclosed in the Company’s announcement dated 4 September 2019; and
- (2) decrease in the revenue of the Group’s oil trading business after the banking facilities provided to the Group for its trading of petroleum and energy products and related business were temporarily suspended by Societe Generale, Singapore Branch in August 2019. As disclosed in the Company’s announcement of 19 September 2019, the Company received an injunction order obtained by the bank on 17 September 2019, restricting the Company’s two subsidiaries from disposing of or dealing with the claimed sums pursuant to the injunction order. As such, the two subsidiaries of the Company would not be able to place purchase orders to suppliers or take new orders from customers, causing the Company to lose substantial business during this period.

The Company is still in the process of finalizing the Group's interim results for the six months ended 30 September 2019. The information contained in this announcement is only based on the Board's preliminary assessment on the Group's latest unaudited consolidated management accounts for the six months ended 30 September 2019, which have not yet been reviewed or audited by the independent external auditors of the Company, nor reviewed by the audit committee of the Board. The unaudited consolidated interim results of the Group for the six months ended 30 September 2019 may be subject to further adjustment(s) and may be different from the information contained in this announcement. Further details of the Group's financial information will be published in the Company's announcement of interim results for the six months ended 30 September 2019, which is expected to be published before the end of November 2019.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Daisho Microline Holdings Limited
Cheung Lai Ming
Chairman

Hong Kong, 7 November 2019

As at the date of this announcement, the Board comprises the following members:

Executive directors:

CHEUNG Lai Ming (*Chairman*)
LEE Man Kwong
LAW Ping Wah

Independent non-executive directors:

CHOU Yuk Yan
LEUNG King Fai
Dr. CHAN Yau Ching, Bob