

*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)**

### **NON-FULFILLMENT OF PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARES OF SKY WILL PRINTING & PACKAGING LIMITED**

References are made to the announcements (the “**Announcements**”) of Daisho Microline Holdings Limited (the “**Company**”) dated 23 March 2020, 8 May 2020, 27 May 2020, 15 June 2020, 24 June 2020, 16 July 2020, 5 August 2020 and 12 August 2020 and the circular (the “**Circular**”) of the Company dated 21 July 2020 in relation to, amongst other things, the acquisition of the entire issued shares in Sky Will Printing & Packaging Limited. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As disclosed in the Announcements and the Circular, the Vendor irrevocably and unconditionally guarantees to the Purchaser that the 2021 Net Profit shall be no less than the 2021 Guaranteed Profit (i.e. HK\$7 million). In the event that the 2021 Net Profit is less than the 2021 Guaranteed Profit, the Vendor shall compensate the Purchaser the difference on a dollar for dollar basis.

According to the audit report of the Target Company, the Target Company has recorded the 2021 Net Profit of approximately HK\$2.7 million, which is less than the 2021 Guaranteed Profit by approximately HK\$4.3 million (the “**Shortfall**”). The Target Company and its subsidiaries are primarily engaged in the manufacture and trading of printing and packaging products businesses. Due to the pandemic caused by the outbreak of the coronavirus (COVID-19), the printing business has been affected. As a result, the raw materials and staff costs have increased and the revenue of the Target Company and its subsidiaries was lower than expected, therefore the 2021 Net Profit did not meet the 2021 Guaranteed Profit. Accordingly, the Vendor shall compensate the Purchaser the Shortfall on a dollar for dollar basis.

As at the date of this announcement, the Vendor has compensated the Purchaser the Shortfall. Accordingly, each of the Vendor and the Guarantor has fulfilled its/his obligations in accordance with the Sale and Purchase Agreement in relation to the 2021 Guaranteed Profit.

The Directors are of the view that the failure to meet the 2021 Guaranteed Profit will not pose any material adverse impact on the financial position and business operations of the Group as a whole.

By order of the Board  
**Daisho Microline Holdings Limited**  
**LEE Man Kwong**  
*Chairman*

Hong Kong, 30 September 2021

*As at the date of this announcement, the Board consists of three executive Directors, namely, LEE Man Kwong, WONG Siu Hung, Patrick and MENG Chuixiang, one non-executive director, namely, YAU Pak Yue and three independent non-executive Directors, namely, LEUNG King Fai, CHAN Yau Ching, Bob and LEUNG Hoi Ming.*