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If you have sold or transferred all your shares in **Daisho Microline Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

**GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
INCREASE IN AUTHORISED SHARE CAPITAL
AND
NOTICE OF ANNUAL GENERAL MEETING FOR 2015 AND 2016**

A notice convening an annual general meeting for 2015 and 2016 of Daisho Microline Holdings Limited to be held at Room 631, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Tuesday, 22 November 2016 at 10:00 a.m. is set out on pages 13 to 16 of this circular. Whether or not you are able to attend the annual general meeting for 2015 and 2016, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting for 2015 and 2016. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting for 2015 and 2016 or any adjournment thereof, should you so wish.

24 October 2016

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“2015 and 2016 AGM”	the annual general meeting for 2015 and 2016 of the Company to be held at Room 631, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Tuesday, 22 November 2016 at 10:00 a.m., notice of which is set out on pages 13 to 16 of this circular
“Board”	the board of Directors of the Company
“Bye-Law(s)”	bye-law(s) of the Company as may be amended from time to time
“Company”	Daisho Microline Holdings Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0567)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	19 October 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares listed on the Stock Exchange of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution to grant such mandate at the 2015 and 2016 AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

Executive Directors:

Chan Sik Ming, Harry (*Chairman & CEO*)

Au-Yeung Wai Hung

Cheung Lai Na

Registered Offices:

Canon's Court

22 Victoria Street

Hamilton, HM12

Bermuda

Independent Non-Executive Directors:

Li Chi Kwong

Yeung Chi Shing, Bret

Leung King Fai

Chou Yuk Yan

Head Office and Principal

Place of Business:

Units 1–2, 16/F.

Nan Fung Commercial Centre

19 Lam Lok Street

Kowloon Bay

Hong Kong

24 October 2016

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
INCREASE IN AUTHORISED SHARE CAPITAL
AND
NOTICE OF ANNUAL GENERAL MEETING FOR 2015 AND 2016**

INTRODUCTION

The purpose of this circular is to provide you with the information regarding the resolutions to be proposed at the 2015 and 2016 AGM including (i) the general mandates to be granted to the Directors to issue Shares and to repurchase Shares; (ii) the re-election of Directors; (iii) the increase in authorised share capital of the Company; and to provide you with the notice of the 2015 and 2016 AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

Ordinary resolutions set out as resolutions numbered 12 to numbered 14 in the notice of 2015 and 2016 AGM will be proposed to grant general mandates to the Directors (i) to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolution and the nominal amount of any Shares repurchased by the Company (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolution); and (ii) to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolution. Subject to the passing of the relevant ordinary resolutions and on the basis that no further Shares are issued or repurchased prior to the date of passing the relevant ordinary resolutions, the exercise in full of the general mandates would result in the issue and repurchase by the Company of a maximum of 96,048,757 Shares and 48,024,378 Shares respectively.

An explanatory statement as required by the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

According to the Company's private act known as "The Juko Laboratories Holdings Limited Company Act 1990", which is an Act of the Company established when the Company was first established under the former name of Juko Laboratories Holdings Limited, the Chairman of the Company is not required to be subject to rotation in accordance with the Bye-Laws. However, in the spirit of good corporate governance practice, the existing Chairman of the Company, Mr. Chan Sik Ming, Harry, has agreed to retire on a voluntary basis at least once every three years. The last time Mr. Chan Sik Ming, Harry retired on a voluntary basis was on 26 August 2013. He will also retire on a voluntary basis and, being eligible, will offer himself for re-election at the 2015 and 2016 AGM.

In accordance with Bye-Law 102, Ms. Cheung Lai Na, Mr. Leung King Fai and Mr. Chou Yuk Yan will retire from their offices and being eligible, will offer themselves for re-election at the 2015 and 2016 AGM.

In accordance with Bye-Law 99(A), Dr. Li Chi Kwong will retire by rotation and, being eligible, will offer himself for re-election at the 2015 and 2016 AGM.

Dr. Li Chi Kwong has been an independent non-executive director of the Company since 22 December 2005 and he has served the Company for more than nine years. According to the code provision A.4.3 of the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, "Serving more than nine years could be relevant to the determination of a non-executive director's independence. If an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying that resolution should include the reasons why the board believes he is still independent and should be re-elected."

LETTER FROM THE BOARD

Pursuant to Rule 3.13 of the Listing Rules, the Company has received from Dr. Li Chi Kwong his annual confirmation of independence, in which it is clearly indicated that the factors which would raise the question of independence for a non-executive director do not exist for Dr. Li. Besides, Dr. Li has never engaged in any executive management of the Group and he serves in many professional bodies and government committees instead. Also, it is demonstrated from his past performance in the Board that he made independent decisions without being affected by others and he expressed his opinion without regard to the seniority of the parties concerned. The Board considers that the long service of Dr. Li with the Company would not affect his exercise of independent judgements and also Dr. Li possesses the character, integrity, knowledge and experience required by an independent non-executive director of the Company. After taking the above factors into consideration, the Board believes that Dr. Li is still independent and should be re-elected.

The biographical details in respect of Mr. Chan Sik Ming, Harry, Ms. Cheung Lai Na, Mr. Leung King Fai, Mr. Chou Yuk Yan and Dr. Li Chi Kwong are set out in Appendix II to this circular.

INCREASE IN AUTHORISED SHARE CAPITAL

The existing authorised share capital of the Company is HK\$60,000,000 divided into 600,000,000 Shares. As at the Latest Practicable Date, 480,243,785 Shares were in issue. In order to accommodate future expansion and growth of the Group and to provide the Company with greater flexibility to raise funds by allotting and issuing Shares in the future as and when necessary, and taking into account the Shares which may be issued upon the exercise of the options which may be granted under the new share option scheme proposed to be adopted at the special general meeting of the Company as scheduled to be held on 22 November 2016, the Board proposes to increase the authorised share capital of the Company to HK\$200,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,400,000,000 Shares which shall rank *pari passu* with the existing Shares in all respects upon allotment and issue.

As at the Latest Practicable Date, save and except any Shares which may be issued upon the exercise of the options under the new share option scheme proposed to be adopted at the special general meeting of the Company as scheduled to be held on 22 November 2016, the Directors do not have any present intention of issuing any part of the unissued authorised share capital of the Company.

The proposed increase in the authorised share capital of the Company as mentioned above is subject to the approval of the Shareholders by way of an ordinary resolution at the 2015 and 2016 AGM.

2015 AND 2016 AGM

The notice convening the 2015 and 2016 AGM to be held at Room 631, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on 22 November 2016 at 10:00 a.m. is set out on pages 13 to 16 of this circular.

LETTER FROM THE BOARD

According to Bye-Law 70, at any general meeting a resolution put to vote at the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised corporate representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of a member being corporation, by its duly authorised corporate representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised corporate representative) or by proxy and holding Shares conferred a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the 2015 and 2016 AGM will put each of the resolutions proposed at the 2015 and 2016 AGM to be voted by way of a poll.

RECOMMENDATION

There is no Shareholder who is required to abstain from voting in respect of any of the resolutions set out in the notice of 2015 and 2016 AGM.

The Board is of the opinion that the granting of the general mandates to the Directors to issue Shares and to repurchase Shares, the re-election of Directors and the increase in authorised share capital of the Company are in the best interests of the Company and the Shareholders as a whole and therefore recommends the Shareholders to vote in favour of all the resolutions to be proposed at the 2015 and 2016 AGM.

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Chan Sik Ming, Harry
Chairman

The following serves as an explanatory statement in compliance with the Listing Rules to give all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$48,024,378.50 comprising 480,243,785 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate (as set out in resolution numbered 13 of the notice of the 2015 and 2016 AGM) and on the basis that no further Shares are issued prior to the 2015 and 2016 AGM, exercise in full of the Repurchase Mandate would result in the repurchase by the Company of a maximum of 48,024,378 Shares during the period ending on the earliest of the date of the next annual general meeting following the 2015 and 2016 AGM, the date by which the next annual general meeting following the 2015 and 2016 AGM of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the financial position of the Company as at 31 March 2016 (being the date to which the latest audited financial statements of the Company were made up) in the event that the Repurchase Mandate is carried out in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply its retained earnings or funds which are legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws and all applicable laws of Bermuda.

4. MARKET PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months were not shown here because

trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 25 June 2015 and continues to be suspended up to the Latest Practicable Date. The closing price for the Shares on 24 June 2015 (i.e. the date immediately preceding the suspension in the trading of the Shares on the Stock Exchange on 25 June 2015) was HK\$1.16 per Share.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSON

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, have any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by Shareholders.

No core connected person, as defined in the Listing Rules, has notified the Company that he/she has a present intention to sell any Shares to the Company, nor has he/she undertaken not to do so in the event that the Repurchase Mandate is approved by Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, all applicable laws of Bermuda and in accordance with the Memorandum of Association and Bye-Laws of the Company.

7. EFFECT OF TAKEOVERS CODE

If on the exercise of the power to repurchase shares pursuant to the repurchase mandate, a shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Rule 32 of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the repurchasing company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all shares not already owned by such shareholder or group of shareholders.

As at the Latest Practicable Date, the Directors are not aware of any consequences which would arise under the Takeovers Code resulting from any repurchase of Shares pursuant to the Repurchase Mandate.

8. SHARES REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the previous six months preceding the Latest Practicable Date.

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION
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Chan Sik Ming Harry, aged 62, has been an executive director of the Company since 1990. He is now the Chairman and the Chief Executive Officer of the Company responsible for the overall strategic planning for the Group. Apart from being the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company, he is also a director of all subsidiaries of the Company. Save as disclosed above, Mr. Chan did not hold any other positions with other members of the Group previously nor did he hold any directorship in other listed public companies during the past three years.

Mr. Chan graduated from the University of Hitotsubashi in Japan with a Bachelor of Arts degree in Commerce in 1978. He has over 36 years of experience in the electronics industry. He is not related to any Directors, senior management of the Company or substantial or controlling Shareholders.

According to the service contract entered into between Mr. Chan and the Company, Mr. Chan has no fixed term of service. Under the service contract, he is entitled to a fixed amount of monthly salary which will increase at an annual rate of 10% on the first day of April each year along with the Group's contribution to provident fund equivalent to 5% of his monthly salary. The monthly salary for Mr. Chan at present is HK\$508,148 which has been agreed to remain unchanged for a number of years. He is also entitled to a management bonus calculated as a percentage of the consolidated net profit after taxation and extraordinary items of the Group which percentage shall be determined by the Board and in any event not exceeding 5% of such profit.

As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Chan had personal interests in 23,412,001 Shares representing approximately 4.88% of the total issued share capital of the Company. Mr. Chan and his family are the objects of a discretionary trust which has appointed Earnwell (PTC) Limited as its trustee holding 292,415 Shares representing approximately 0.06% of the total issued share capital of the Company.

There is no matter relating to Mr. Chan that needs to be brought to the attention of the Shareholders. Save as disclosed above, there is no information relating to Mr. Chan that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

According to the Company's private act known as "The Juko Laboratories Holdings Limited Company Act 1990" which is an Act of the Company established when the Company was first established under the former name of Juko Laboratories Holdings Limited, the Chairman of the Company is not required to be subject to rotation in accordance with the Bye-Laws. However, in the spirit of good corporate governance practice, the existing Chairman of the Company, Mr. Chan Sik Ming, Harry, has agreed to retire on a voluntary basis at least once every three years. Hence, Mr. Chan shall be re-elected for a term of not more than approximately three years expiring at the conclusion of the third annual general meeting held in the third year following the year of re-election and on expiration of his term he shall be deemed a retiring director voluntarily and eligible for re-election.

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION

Cheung Lai Na, aged 41, has been an executive director, a member of the Remuneration Committee and the Nomination Committee of the Company since 9 June 2015. She is also a director of a number of Hong Kong incorporated subsidiaries of the Company. She did not hold any directorship in other listed public companies in the past three years.

After her study in Canada, Ms. Cheung returned to Hong Kong and completed the Diploma course in China Finance from Hong Kong Management Association.

Ms. Cheung is the founder and chief executive officer of a bunkering company in Hong Kong. She is also the founder and director of a bunkering company in Singapore.

According to the letter of appointment entered into between Ms. Cheung and the Company, her term of service is three years subject to the requirements on the re-election and retirement by rotation of directors at the annual general meeting of the Company in accordance with the provisions of the Bye-Laws. She is entitled to receive a fixed director's fee of HK\$50,000 per month, which is determined by the Remuneration Committee and the Board of the Company having regard to her duties and responsibilities and the prevailing market conditions along with the Group's contribution to provident fund equivalent to 5% of her monthly director's fee.

Ms. Cheung is the daughter of Mr. Cheung Ling Mun who is a major Shareholder and a senior management of the Group. Save as disclosed above, Ms. Cheung is not related to any Directors, senior management of the Company, or substantial or controlling Shareholders. Ms. Cheung holds 120,068,000 Shares as nominee in trust for Mr. Cheung Ling Mun. Save as disclosed above, Ms. Cheung is not interested in any Shares within the meaning of Part XV of the SFO.

There is no matter relating to Ms. Cheung that needs to be brought to the attention of the Shareholders. Save as disclosed above, there is no information relating to Ms. Cheung that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

Leung King Fai, aged 44, has been an independent non-executive director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company since 9 June 2015. He has been appointed as the chairman of the Audit Committee of the Company with effect from 2 April 2016. He did not previously hold any other position with the Group.

Mr. Leung graduated from the Deakin University with a Bachelor degree in Commerce in 1996. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. He has over 19 years of experience in accounting, audit and finance.

Mr. Leung is currently an executive director of Kirin Group Holdings Limited (formerly known as Creative Energy Solutions Holdings Limited), a company listed on the Growth Enterprise Market of the Stock Exchange ("GEM"), and an independent director of Biostar Pharmaceuticals Inc., a company listed on the National Association of Securities

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION
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Dealers Automated Quotations (NASDAQ) Stock Market. Mr. Leung was an executive director of Hao Wen Holdings Limited, a company listed on the GEM, from September 2010 to March 2015. Save as disclosed above, he did not hold any directorship in other listed public companies in the past three years.

According to the letter of appointment entered into between Mr. Leung and the Company, his term of service is three years subject to the requirements on the re-election and retirement by rotation of directors at the annual general meeting of the Company in accordance with the provisions of the Bye-Laws. He is entitled to receive a fixed director's fee of HK\$20,000 per month which is determined by the Remuneration Committee and the Board having regard to his duties and responsibilities and the prevailing market conditions.

Mr. Leung is not related to any Directors, senior management of the Company or substantial or controlling Shareholders. Mr. Leung has no interests in any Shares within the meaning of Part XV of the SFO.

There is no matter relating to Mr. Leung that needs to be brought to the attention of the Shareholders. Save as disclosed above, there is no information relating to Mr. Leung that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

Chou Yuk Yan, aged 72, has been an independent non-executive director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company since 21 June 2016. He did not previously hold any other position with the Group, nor did he hold any directorship in other listed public companies in the past three years.

Mr. Chou was educated in Hong Kong and the Mainland China. He joined Kincheng Banking Corporation in Hong Kong in 1973 and his last position before his retirement at the same bank in 2000 was assistant manager. He started a new business in promoting health products in Hong Kong afterwards. He has considerable years of experience in banking industry and business management. In particular, his invaluable experience in capital finance and his business acumen would be beneficial to the Group.

According to the letter of appointment entered into between Mr. Chou and the Company, his term of service is three years subject to the requirements on the re-election and retirement by rotation of directors at the annual general meeting of the Company in accordance with the provisions of the Bye-Laws. He is entitled to receive a fixed director's fee of HK\$20,000 per month which is determined by the Remuneration Committee and the Board having regard to his duties and responsibilities and the prevailing market conditions.

Mr. Chou is not related to any Directors, senior management of the Company or substantial or controlling Shareholders. Mr. Chou has no interests in any Shares within the meaning of Part XV of the SFO.

There is no matter relating to Mr. Chou that needs to be brought to the attention of the Shareholders. Save as disclosed above, there is no information relating to Mr. Chou that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION

Li Chi Kwong, aged 63, has been an independent non-executive director, a member of the Audit Committee and the Remuneration Committee of the Company since 22 December 2005 and a member of the Nomination Committee of the Company since 26 March 2012. He has been appointed as the chairman of the Remuneration Committee of the Company with effect from 2 April 2016.

Dr. Li holds a Doctor of Philosophy degree from the University of Westminster in the United Kingdom and a Master of Science degree in Cybernetics from the London University in the United Kingdom. He also holds numerous professional qualifications in engineering, including Chartered Engineer, Member of the Institute of Mechanical Engineers, Fellow of the Institute of Engineering and Technology, Fellow of the Hong Kong Institute of Engineers, Senior Member of the Institute of Electrical and Electronic Engineers Inc., Fellow of the Hong Kong Association of the Advancement of Science and Technology, and he is also a Register Professional Engineer.

Dr. Li was an Associate Professor in the Department of Electronic and Information Engineering in the Hong Kong Polytechnic University from year 1985 to 2013. After obtaining over 36 years of experience in the academic field and the engineering industry, he sets up a private consultant company serving a number of engineering companies. He has published about 150 technical papers in international journals and conferences and obtained a number of patents. Dr. Li also serves in many professional and government committees.

Dr. Li had been an independent non-executive director of Group Sense (International) Limited, a company listed on the Stock Exchange, during the period from 11 September 2013 to 26 March 2015. Save as disclosed above, he did not hold any other positions with the Group previously nor did he hold any directorship in other listed public companies during the past three years.

According to his service contract with the Company, Dr. Li has no fixed terms of services but will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. He is entitled to receive a fixed director's fee of HK\$20,000 per month which is determined by the Remuneration Committee and the Board having regard to his duties and responsibilities and the prevailing market conditions.

Dr. Li is not related to any Directors, senior management of the Company or substantial or controlling Shareholders. Dr. Li has no interests in any Shares within the meaning of Part XV of the SFO.

Save for the fact that Dr. Li has served as the independent non-executive director of the Company for more than ten years, there is no matter relating to Dr. Li that needs to be brought to the attention of the Shareholders. Save as disclosed above, there is no information relating to Dr. Li that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

NOTICE IS HEREBY GIVEN that the annual general meeting for 2015 and 2016 of the Company will be held at Room 631, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Tuesday, 22 November 2016 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

1. To receive and adopt the Audited Financial Statements and the Reports of the Directors and Auditors for the years ended 31 March 2015 and 31 March 2016.
2. To re-elect Mr. Chan Sik Ming, Harry as Director.
3. To re-elect Ms. Cheung Lai Na as Director.
4. To re-elect Mr. Leung King Fai as Director.
5. To re-elect Mr. Chou Yuk Yan as Director.
6. To re-elect Dr. Li Chi Kwong as Director.
7. To increase the authorised share capital to HK\$200,000,000.
8. To fix the number of Directors to twelve.
9. To authorise the Board of Directors to fix the remuneration of the Directors.
10. To appoint Mazars CPA Limited as Auditors for the ensuing year.
11. To authorise the Board of Directors to fix the remuneration of the Auditors.
12. As special business to consider and, if thought fit, pass the following resolution as an ordinary resolution with or without modifications:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue ordinary shares of HK\$0.10 each in the capital of the Company and to make and grant offers, agreements and options (including bonds, warrants and debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the

NOTICE OF ANNUAL GENERAL MEETING FOR 2015 AND 2016

Company) which would or might require exercise of such power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant period (as hereinafter defined) to make or grant offers, arrangements and options (including bonds, warrants and debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; (as hereinafter defined); (ii) an issue of shares as scrip dividends in accordance with the bye-laws of the Company from time to time, or (iii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any bonds, warrants, debenture, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or arrangement or rights to acquire shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law(s) of Bermuda to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at this date (subject to such exclusions or other arrangements as the Directors may deem

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necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

13. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution with or without modifications:

“**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) The aggregate nominal amount of the issued share capital of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution, and on the basis that no further shares are issued prior to the date of passing this resolution, exercise in full of the repurchase mandate would result in the repurchase by the Company of a maximum of 48,024,378 ordinary shares of HK\$0.10 each, and the said approval shall be limited accordingly; and
- (c) For the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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14. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution with or without modifications:

“**THAT** the exercise by the Directors of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company in accordance with the general mandate granted pursuant to the resolution numbered 12 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares of the Company purchased by the Company under the authority granted pursuant to the resolution numbered 13 set out in the notice convening this meeting provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution.”

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 24 October 2016

Principal place of business:

Units 1–2, 16/F.

Nan Fung Commercial Centre

19 Lam Lok Street

Kowloon Bay, Hong Kong

Notes:

1. The chairman of the Annual General Meeting for 2015 and 2016 will put each of the above resolutions to be voted by way of a poll.
2. 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.
3. A proxy form for the meeting is enclosed. 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, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
4. An explanatory statement containing further details in respect of the resolution numbered 13 is set out in Appendix I of the Circular dated 24 October 2016.
5. The biographical information of directors offering themselves for re-election is set out in the Appendix II to the Circular dated 24 October 2016.
6. As at the date of this notice, the Board comprises three executive directors, namely, Chan Sik Ming, Harry, Au-Yeung Wai Hung and Cheung Lai Na, and four independent non-executive directors, namely, Li Chi Kwong, Yeung Chi Shing, Bret, Leung King Fai and Chou Yuk Yan.