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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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 NOTICE OF ANNUAL GENERAL MEETING FOR 2017

A notice convening an annual general meeting for 2017 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, 8 August 2017 at 10:30 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 2017, 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 2017. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting for 2017 or any adjournment thereof, should you so wish.

10 July 2017

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DEFINITIONS

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

“2017 AGM”	the annual general meeting for 2017 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, 8 August 2017 at 10:30 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”	4 July 2017, 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 2017 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:

Cheung Lai Na (*Chairman*)

Cheung Lai Ming

Non-Executive Director:

Lee Man Kwong

Independent Non-Executive Directors:

Leung King Fai

Yeung Chi Shing, Bret

Chou Yuk Yan

Registered Offices:

Canon's Court

22 Victoria Street

Hamilton, HM12

Bermuda

Head Office and Principal

Place of Business:

Units 1–2, 16/F.

Nan Fung Commercial Centre

19 Lam Lok Street

Kowloon Bay

Hong Kong

10 July 2017

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING FOR 2017**

INTRODUCTION

The purpose of this circular is to provide you with the information regarding the resolutions to be proposed at the 2017 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; and (iii) to provide you with the notice of the 2017 AGM.

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

Ordinary resolutions set out as resolutions numbered 5 to numbered 7 in the notice of 2017 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

LETTER FROM THE BOARD

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 115,248,757 Shares and 57,624,378 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

In accordance with Bye-Law 102, Ms. Cheung Lai Na, Ms. Cheung Lai Ming, Mr. Lee Man Kwong, 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 2017 AGM.

In accordance with Bye-Law 99(A), Mr. Yeung Chi Shing, Bret will retire by rotation and, being eligible, will offer himself for re-election at the 2017 AGM.

The biographical details in respect of Ms. Cheung Lai Na, Ms. Cheung Lai Ming, Mr. Lee Man Kwong, Mr. Leung King Fai, Mr. Yeung Chi Shing, Bret and Mr. Chou Yuk Yan are set out in Appendix II to this circular.

2017 AGM

The notice convening the 2017 AGM to be held at Room 631, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on 8 August 2017 at 10:30 a.m. is set out on pages 13 to 16 of this circular.

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

LETTER FROM THE BOARD

- (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 2017 AGM will put each of the resolutions proposed at the 2017 AGM to be voted by way of a poll.

TYPHOON OR BLACK RAINSTORM WARNING ARRANGEMENTS

If typhoon signal No. 8 or above, or a black rainstorm warning is in effect at 8:00 a.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on its website (www.irasia.com/listco/hk/daisho) and the HKExnews website (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

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 2017 AGM.

The Board is of the opinion that the granting of the general mandates to the Directors to issue Shares and to repurchase Shares and the re-election of Directors 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 2017 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
Cheung Lai Na
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\$57,624,378.5 comprising 576,243,785 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate (as set out in resolution numbered 6 of the notice of the 2017 AGM) and on the basis that no further Shares are issued prior to the 2017 AGM, exercise in full of the Repurchase Mandate would result in the repurchase by the Company of a maximum 57,624,378 Shares during the period ending on the earliest of the date of the next annual general meeting following the 2017 AGM, the date by which the next annual general meeting following the 2017 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 2017 (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 in each of the twelve months from 1 July 2016 up to the Latest Practicable Date were as follows:

	Highest Per Share HK\$	Lowest Per Share HK\$
2016		
July – December*	–	–
2017		
January	0.790	0.620
February	0.670	0.490
March	0.660	0.500
April	0.530	0.420
May	0.440	0.330
June	0.640	0.385
July (up to the Latest Practicable Date)	0.550	0.485

* The highest and lowest prices at which the Shares have been traded on the Stock Exchange during July 2016 to December 2016 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 resumed at 9:00 a.m. on 26 January 2017.

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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Cheung Lai Na, aged 41, has been an executive director of the Company since 9 June 2015. She is now the chairman 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, she is also a director of all 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 Lai Na returned to Hong Kong and completed the Diploma course in China Finance from Hong Kong Management Association.

Ms. Cheung Lai Na 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 Lai Na 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 Lai Na 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 Lai Na is not related to any Directors, senior management of the Company, or substantial or controlling Shareholders. Ms. Cheung Lai Na holds 120,068,000 Shares as nominee in trust for Mr. Cheung Ling Mun. Save as disclosed above, Ms. Cheung Lai Na has no other interests in any Shares within the meaning of Part XV of the SFO.

There is no matter relating to Ms. Cheung Lai Na 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.

Cheung Lai Ming, aged 34, has been an executive director of the Company since 7 November 2016. She had graduated with a Bachelor of Pharmacy degree in 2009 from the Monash University, Melbourne, Australia. She is the Head of Sales of a bunkering company in Hong Kong. She is also the founder and director of a bunkering company in Singapore.

Ms. Cheung Lai Ming is the daughter of Mr. Cheung Ling Mun who is a major shareholder of the Company and a senior management of the Group, and also the younger sister of Ms. Cheung Lai Na who is an executive director of the Company. Save as disclosed above, Ms. Cheung Lai Ming has no interest in any Shares within the meanings of Part XV of the SFO.

According to the letter of appointment entered into between Ms. Cheung Lai Ming and the Company, her term of service is three years subject to the requirements on the

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

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.

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

Lee Man Kwong, aged 62, has been an independent non-executive director since 14 December 2016 and been re-designated as a non-executive director since 1 March 2017. He was admitted as a solicitor in Hong Kong in 1983, and is also a solicitor qualified in England and Wales and Singapore. Mr. Lee is the senior partner of Messrs. Chan, Lau & Wai, Solicitors, a Hong Kong law firm established in 1980. Mr. Lee was an executive director of CCT Fortis Holdings Limited (formerly known as China Treasure Telecom Holdings Limited, and CCT Telecom Holdings Limited) (stock code: 138) from 1996 to 1997, an independent non-executive director of Mei Ah Entertainment Group Limited (formerly known as Mei Ah International Limited) (stock code: 391) from 1993 to 2003, an independent non-executive director of Uni-Bio Science Group Limited (formerly known as New Spring Holdings Limited) (stock code: 690) from 2001 to 2005, an independent non-executive director of Asia Standard Hotel Group Limited (stock code: 292) for the period from 2000 to 2003, the Chairman and executive director of Neo Telemedia Limited (formerly known as B&S Entertainment Holdings Limited, and Big Media Group Limited) (stock code: 8167) from 2004 to 2007, and an executive director of Sau San Tong Holding Limited (stock code: 8200) from 2006 to 2007.

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

There is no matter relating to Mr. Lee 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.

Leung King Fai, aged 45, has been an independent non-executive director, a member of the Audit Committee, the Remuneration Committee and the Nomination

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

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 a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and Chartered Institute of Management Accountants. He has over 20 years of experience in accounting, audit and finance.

Mr. Leung is currently an executive director of Kirin Group 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 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. Saved 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.

Yeung Chi Shing, Bret, aged 60, has been an independent non-executive director, a member of the Audit Committee and the Remuneration Committee of the Company since 21 November 2011 and a member of the Nomination Committee of the Company since 26 March 2012.

Mr. Yeung graduated from Jinan University in Guangzhou, Mainland China with a Bachelor’s degree of Economics in 1983. He joined Nanyang Commercial Bank Limited soon after his graduation. From 1983 to 2002, he served several positions in Nanyang Commercial Bank Limited, including Representative and Chief Representative of Beijing Representative Office, President of Guangzhou Branch, Executive Vice President of Beijing Branch and President of Shenzhen Branch. He has considerable years of experience in banking, business operation and management, particularly in the banking and financial business in the Mainland China.

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

According to the letter of appointment entered between Mr. Yeung 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. Yeung is not related to any Directors, senior management of the Company or substantial or controlling Shareholders. Mr. Yeung has no interests in any Shares within the meaning of Part XV of the SFO. Save as disclosed above, he has not held any other positions with the Company and its subsidiaries nor did he hold any directorship in other listed public companies during the past three years.

There is no matter relating to Mr. Yeung 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.



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

NOTICE IS HEREBY GIVEN that the annual general meeting for 2017 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, 8 August 2017 at 10:30 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 2017.
2. To re-elect Directors.
3. To authorise the Board of Directors to fix the remuneration of the Directors.
4. To re-appoint auditor of the Company and authorise the Directors to fix their remuneration.
5. 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 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;

NOTICE OF ANNUAL GENERAL MEETING FOR 2017

- (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 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).”

NOTICE OF ANNUAL GENERAL MEETING FOR 2017

6. 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 57,624,378 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.”

NOTICE OF ANNUAL GENERAL MEETING FOR 2017

7. 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 5 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 6 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
Cheung Lai Na
Chairman

Hong Kong, 10 July 2017

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 2017 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 6 is set out in Appendix I of the Circular dated 10 July 2017.
5. The biographical information of directors offering themselves for re-election is set out in the Appendix II to the Circular dated 10 July 2017.
6. As at the date of this notice, the Board comprises two executive directors, namely, Cheung Lai Na and Cheung Lai Ming, one non-executive director, namely, Lee Man Kwong, and three independent non-executive directors, namely, Leung King Fai, Yeung Chi Shing, Bret and Chou Yuk Yan.