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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 stockbroker or other 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** (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker 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)

**PROPOSALS FOR
GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING FOR 2019**

A notice convening an annual general meeting for 2019 of Daisho Microline Holdings Limited to be held at Meeting Room 631, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Friday, 30 August 2019 at 9:00 a.m. is set out on pages 14 to 18 of this circular. Whether or not you are able to attend the annual general meeting for 2019, you are requested to complete, sign 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting for 2019 or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting for 2019 or any adjournment thereof, should you so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/daisho).

31 July 2019

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DEFINITIONS

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

“2019 AGM”	the annual general meeting for 2019 of the Company to be held at Meeting Room 631, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Friday, 30 August 2019 at 9:00 a.m., notice of which is set out on pages 14 to 18 of this circular, or any adjournment thereof
“Board”	the board of Directors of the Company
“Bye-Law(s)”	bye-law(s) of the Company currently in force
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of 2019 AGM
“Latest Practicable Date”	25 July 2019, 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 as amended from time to time

DEFINITIONS

“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of 2019 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 issued capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission as amended from time to time
“%”	per cent.



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

Executive Directors:

Cheung Lai Na (*Chairman*)

Cheung Lai Ming

Lee Man Kwong

Law Ping Wah

Registered Office:

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM10

Bermuda

Independent Non-Executive Directors:

Leung King Fai

Chou Yuk Yan

Chan Yau Ching, Bob

Head Office and Principal

Place of Business:

Room Nos. 901-2, 9th Floor

Tai Tung Building

No. 8 Fleming Road

Wanchai

Hong Kong

31 July 2019

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING FOR 2019**

INTRODUCTION

The purpose of this circular is to provide you with the information regarding certain resolutions to be proposed at the 2019 AGM including (i) the granting of general mandates to the Directors to issue Shares and to repurchase Shares; and (ii) the re-election of Directors; and to provide you with the notice of the 2019 AGM.

LETTER FROM THE BOARD

PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 24 August 2018, ordinary resolutions were passed by the Shareholders to grant general mandates to the Directors to issue and repurchase Shares respectively. Such mandates will lapse at the conclusion of the 2019 AGM. In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the 2019 AGM to approve:

1. the granting of the Issue Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of 2019 AGM (i.e. a total of 115,248,757 Shares on the basis that no further Shares are issued or repurchased before the 2019 AGM);
2. extension of the Issue Mandate by adding the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate;
3. the granting of the Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of 2019 AGM (i.e. a total of 57,624,378 Shares on the basis that no further Shares are issued or repurchased before the 2019 AGM).

An explanatory statement as required by the Listing Rules to provide the Shareholders with requisite 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.

PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Bye-Law 99 of the Bye-Laws, Ms. Cheung Lai Ming and Mr. Chou Yuk Yan shall retire at the 2019 AGM. In addition, Dr. Chan Yau Ching, Bob who has been appointed by the Board on 3 September 2018 shall retire at the 2019 AGM pursuant to Bye-Law 102(B) of the Bye-Laws. All of the above Directors, being eligible, will offer themselves for re-election at the 2019 AGM.

Mr. Chou Yuk Yan and Dr. Chan Yau Ching, Bob, independent non-executive Directors of the Company, have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee

LETTER FROM THE BOARD

has recommended to the Board on re-election of all the retiring Directors including the aforesaid independent non-executive Directors who are due to retire at the 2019 AGM. The Company considers that the retiring independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

The biographical details of the above Directors proposed for re-election at the 2019 AGM are set out in Appendix II to this circular.

2019 AGM AND PROXY ARRANGEMENT

The notice convening the 2019 AGM to be held at Meeting Room 631, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Friday, 30 August 2019 at 9:00 a.m. is set out on pages 14 to 18 of this circular.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, each of the resolutions proposed at the 2019 AGM shall be voted by way of a poll.

An announcement on the poll results will be published by the Company after the 2019 AGM in the manner prescribed under the Listing Rules.

A form of proxy for use at the 2019 AGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/daisho). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the 2019 AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2019 AGM if you so wish.

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 2019 AGM, the meeting will be postponed to a later date. The Company will as soon as practicable post an announcement on its website (www.irasia.com/listco/hk/daisho) and the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

LETTER FROM THE BOARD

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 2019 AGM.

The Board is of the opinion that the proposed 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 2019 AGM.

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

Yours faithfully,
For and on behalf of the Board
Cheung Lai Na
Chairman

The following serves as an explanatory statement in compliance with the Listing Rules to give requisite information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the granting of 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 granting of the Repurchase Mandate (as set out in item 6 of the notice of the 2019 AGM) and on the basis that no further Shares are issued or repurchased prior to the 2019 AGM, exercise in full of the Repurchase Mandate would result in the repurchase by the Company up to a maximum of 57,624,378 Shares, representing 10% of the total number of issued Shares as at the date of the 2019 AGM during the period in which the Repurchase Mandate remains in force.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the granting of 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 value and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. IMPACT OF REPURCHASES

There might be a 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 2019 (being the date to which the latest audited financial statements of the Company were made up) in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend 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.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds which are legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws, the laws of Bermuda and/or any other applicable laws, as the case may be.

5. MARKET PRICES

The highest and lowest prices per Share at which the Shares have been traded on the Stock Exchange during each of the previous twelve months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
July	0.255	0.231
August	0.250	0.230
September	0.360	0.231
October	0.290	0.230
November	0.270	0.234
December	0.290	0.240
2019		
January	0.265	0.230
February	0.280	0.241
March	0.270	0.240
April	0.260	0.231
May	0.245	0.220
June	0.260	0.203
July (up to the Latest Practicable Date)	0.250	0.205

6. GENERAL

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

7. 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 repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, all applicable laws of Bermuda and Memorandum of Association and Bye-Laws of the Company.

8. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Company, Mr. Cheung Ling Mun was beneficially interested in 120,068,000 Shares representing approximately 20.84% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Repurchase Mandate in full, the interest of Mr. Cheung Ling Mun in the Company would be increased to approximately 23.15% of the issued share capital of the Company. The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose or intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, result in the aggregate number of Shares held by the public falling below the prescribed minimum percentage required by the Stock Exchange.

9. SHARES REPURCHASES MADE BY THE COMPANY

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

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the 2019 AGM:

- (1) **Ms. Cheung Lai Ming**, aged 36, has been an executive director and a member of the Nomination Committee of the Company since 7 November 2016. She is a director of various subsidiaries of the Company. 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 a daughter of Mr. Cheung Ling Mun who is a substantial 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 and the Chairman of the Company.

Ms. Cheung has entered into a service contract with the Company for a term of three years commencing on 7 November 2016, unless terminated in accordance with the terms as stipulated therein. She is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Ms. Cheung is entitled to a director's salary 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.

As at the Latest Practicable Date, Ms. Cheung was not interested or deemed to be interested in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Cheung (i) has not held any other positions in the Company or other members of the Group; (ii) is not related to any other director, senior management, substantial shareholder or controlling shareholder of the Company; and (iii) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, there is no other matter concerning Ms. Cheung that needs to be brought to the attention of the Shareholders nor is Ms. Cheung involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

- (2) **Mr. Chou Yuk Yan**, aged 74, 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.

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, particularly his invaluable experience in capital finance and his business acumen.

Mr. Chou has entered into a service contract with the Company for a term of three years commencing on 21 June 2016, unless terminated in accordance with the terms as stipulated therein. He is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Mr. Chou is entitled to receive a director's fee of HK\$20,000 per month, which is determined by the Remuneration Committee and the Board of the Company having regard to his duties and responsibilities and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Chou was not interested or deemed to be interested in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chou (i) has not held any other positions in the Company or other members of the Group; (ii) is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company; and (iii) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, there is no other matter concerning Mr. Chou that needs to be brought to the attention of the Shareholders nor is Mr. Chou involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

- (3) **Dr. Chan Yau Ching, Bob**, aged 56, has been an independent non-executive director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company since 3 September 2018. He is a holder of a Doctorate degree in Finance. Dr. Chan graduated from the Chinese University of Hong Kong and obtained a Bachelor's degree in Business Administration in 1984. He further obtained a Master degree in Business Administration from the University of Wisconsin-Madison, the United States of America ("US") in 1986, and a Doctorate degree in Finance from Purdue University, US in 1994. Dr. Chan is a member of the Chartered Financial Analyst Institution and the Hong Kong Society of Financial Analysts. Since April 2009, Dr. Chan has been a licenced representative/responsible officer engaging in type 4 (advising of securities) and type 9 (asset management) regulated activities under the SFO.

Dr. Chan was appointed as an executive director and the chief strategic officer of Celestial Asia Securities Holdings Limited (stock code: 1049) from August 2002 to February 2005, and later as the investment director from November 2005 to July 2010, where he was mainly responsible for strategic investment projects and asset management.

Dr. Chan was appointed as a managing director of Pricerite Group Limited (stock code: 996, currently known as Carnival Group International Holdings Limited) from November 2003 to November 2004, which primarily engaged in the retail of furniture and household products. During 2005 to 2007, Dr. Chan was appointed as the chief financial officer of Moli Group Limited (摩力集團有限公司), Shanghai, the People's Republic of China (a wholly-owned subsidiary of Celestial Asia Securities Holdings Limited), which was a developer, operator and distributor of online games, where he was mainly responsible for building accounting, finance and control procedures and policies and in charge of the human resources. Dr. Chan was later appointed as the chief executive officer of Moli Group Limited from July 2010 to October 2012, where he was mainly responsible for the re-focusing of the company's business covering online and mobile entertainment.

Dr. Chan was appointed as the deputy chief executive officer and an executive director of Celestial Asia Securities Holdings Limited from November 2012 to July 2013, and later as the director of investments and corporate development from August to November 2013, where he was mainly responsible for the overall business development and the design and development of algorithm trading strategies respectively.

Since January 2002, Dr. Chan has been appointed as an independent non-executive director of Lee's Pharmaceutical Holdings Limited (stock code: 950), which principally engaged in the research, development, manufacturing and distribution of biopharmaceutical drugs in China.

Since March 2014, Dr. Chan has been appointed as a managing director of KBR Capital Limited, where he is mainly responsible for asset management, advising on capital market transactions and investment management. Dr. Chan is currently a managing director and a responsible officer of KBR Fund Management Limited, which is a licenced corporation carrying out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

Since December 2016, Dr. Chan has been appointed as an independent non-executive director of China High Speed Transmission Equipment Group Company Limited (stock code: 658), which principally engaged in the design, manufacturing and distribution of transmission systems for wind powered generators with customers globally.

Since December 2018, Dr. Chan has been appointed as an independent director of Hangzhou Huaxing Chuangye Communication Technology Co., Ltd. (杭州華星創業通信技術股份有限公司) (stock code: 300025), the shares of which are listed on ChiNext of the Shenzhen Stock Exchange.

Dr. Chan has entered into a letter of appointment with the Company for a term of three years commencing on 3 September 2018, unless terminated in accordance with the terms as stipulated therein. He is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Dr. Chan is entitled to receive a director's fee of HK\$20,000 per month, which is determined by the Remuneration Committee and the Board of the Company having regard to his duties and responsibilities and the prevailing market conditions.

As at the Latest Practicable Date, Dr. Chan was not interested or deemed to be interested in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Chan (i) has not held any other positions in the Company or other members of the Group; (ii) is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company; and (iii) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, there is no other matter concerning Dr. Chan that needs to be brought to the attention of the Shareholders nor is Dr. Chan involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) 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 of Daisho Microline Holdings Limited (the “Company”) will be held at Meeting Room 631, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Friday, 30 August 2019 at 9:00 a.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and independent auditor for the year ended 31 March 2019.
2.
 - (a) To re-elect Ms. Cheung Lai Ming as an executive director of the Company.
 - (b) To re-elect Mr. Chou Yuk Yan as an independent non-executive director of the Company.
 - (c) To re-elect Dr. Chan Yau Ching, Bob as an independent non-executive director of the Company.
3. To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.
4. To re-appoint Mazars CPA Limited as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING FOR 2019

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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 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 in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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 any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING FOR 2019

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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 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 in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING FOR 2019
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7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 6 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

For and on behalf of the Board
Cheung Lai Na
Chairman

Hong Kong, 31 July 2019

NOTICE OF ANNUAL GENERAL MEETING FOR 2019

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The record date for determining the entitlement to attend and vote at the meeting will be Monday, 26 August 2019. In order to be eligible to attend and vote at the meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 August 2019.

As at the date of this Notice, the Board comprises four executive directors, namely, Cheung Lai Na, Cheung Lai Ming, Lee Man Kwong and Law Ping Wah, and three independent non-executive directors, namely, Leung King Fai, Chou Yuk Yan and Chan Yau Ching, Bob.