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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

Reference is made to the annual report (the “**2020 Annual Report**”) for the year ended 31 March 2020 of Daisho Microline Holdings Limited (the “**Company**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2020 Annual Report.

In addition to the information provided in the 2020 Annual Report, the Board would like to provide further information in relation to the Share Option Scheme and the Share Options granted by the Company as follows:

SHARE OPTION SCHEME

Period within which the Shares must be taken up under an option

An option must be exercised within 10 years from the date on which it is granted or such shorter period as the Board may specify at the time of grant.

Period open for acceptance of an option

An offer of grant of an option may be accepted by an eligible person within 28 days from the date of the offer of grant of the option.

SHARE OPTIONS GRANTED BY THE COMPANY

On 29 August 2019, the Company granted a total of 38,400,000 Share Options to subscribe for a total of 38,400,000 Shares. The following table discloses details of the Share Options held by the Directors, other employees, consultants and suppliers of the Company, and movements in such holding during the year ended 31 March 2020:

Name of grantee	Date of grant	Outstanding and exercisable as at 1 April 2019	Granted	Exercised	Cancelled	Forfeited/ Lapsed	Outstanding and exercisable as at 31 March 2020
Granted to Directors							
Lee Man Kwong	6 August 2019	-	4,800,000	-	-	-	4,800,000
Cheung Lai Ming (Note 1)	6 August 2019	-	4,800,000	-	-	-	4,800,000
Law Ping Wah (Note 2)	6 August 2019	-	4,800,000	-	-	-	4,800,000
Granted to employees							
Law Hin Ong Trevor ("Mr. Law") (Note 3)	6 August 2019	-	4,800,000	-	-	-	4,800,000
Lam Kim Chuen ("Mr. KC Lam") (Note 4)	6 August 2019	-	4,800,000	-	-	-	4,800,000
Granted to consultant							
Cheung Lai Na ("Ms. Cheung") (Note 5)	6 August 2019	-	4,800,000	-	-	-	4,800,000
Lee Wai Kit ("Mr. Lee") (Note 6)	6 August 2019	-	4,800,000	-	-	-	4,800,000
Granted to supplier							
Lam Sui Yuen ("Mr. SY Lam") (Note 7)	6 August 2019	-	4,800,000	-	-	-	4,800,000
Total		-	38,400,000	-	-	-	38,400,000

Notes:

- Ms. Cheung Lai Ming is a former executive director of the Company. The Options granted to Ms. Cheung Lai Ming do not have any vesting conditions.
- Mr. Law Ping Wah is a former executive director of the Company. The Options granted to Mr. Law Ping Wah do not have any vesting conditions.
- Mr. Law was an employee of the Group. The Options granted to Mr. Law do not have any vesting conditions.

4. Mr. KC Lam was an employee of the Group. The Options granted to Mr. KC Lam do not have any vesting conditions.
5. Ms. Cheung is a former executive director of the Company and a consultant of the Group. The Options granted to Ms. Cheung have been transferred from the category of directors to consultants upon the resignation of Ms. Cheung as executive director of the Company on 4 September 2019. The Options granted to Ms. Cheung do not have any vesting conditions. The services provided by Ms. Cheung includes providing advisory services in relation to business modelling and strategies of the Group and introduction of potential investors or strategic alliances.
6. Mr. Lee was a consultant of the Group who had provided advice to the Group in relation to the disposal of a property of the Group located in the People's Republic of China. The Options granted to Mr. Lee do not have any vesting conditions.
7. Mr. SY Lam was a director of a former supplier of the Group who had provided management services to the Group's subsidiaries in Singapore. The Options granted to Mr. SY Lam do not have any vesting conditions.

Options granted to the above employees were incentives to such employees to retain them for the continual operation and development of the Group and recognise the past contributions made by such employees.

Options granted to the above consultants and supplier were incentives to the grantees for helping the Group expand its business network, acquire and explore new business projects and opportunities and to provide ongoing services to the Group and maintain a long-term relationship with the Group.

Based on the above reasons, the grant of Options to the above employees, consultants and supplier serves the purpose of the Scheme and is in the interest of the Company and shareholders as a whole.

The additional information set out above does not affect other information contained in the 2020 Annual Report and the contents of the 2020 Annual Report remain unchanged.

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

Hong Kong, 21 September 2021

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