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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**, 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
(1) GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING FOR 2023

A notice convening an annual general meeting for 2023 of Daisho Microline Holdings Limited to be held at Room 202, 2/F, Duke of Windsor Social Service Building, No. 15 Hennessy Road, Wanchai, Hong Kong on Friday, 22 September 2023 at 10:00 a.m. is set out on pages 15 to 19 of this circular. Whether or not you are able to attend the annual general meeting for 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 2023 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 2023 or any adjournment thereof, should you so wish.

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

24 July 2023

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DEFINITIONS

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

"2023 AGM"	the annual general meeting for 2023 of the Company to be held at Room 202, 2/F, Duke of Windsor Social Service Building, No. 15 Hennessy Road, Wanchai, Hong Kong on Friday, 22 September 2023 at 10:00 a.m., notice of which is set out on pages 15 to 19 of this circular, or any adjournment thereof
"associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Bye-Law(s)"	Bye-Law(s) of the Company currently in force (as amended from time to time)
"close associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Companies Act"	the Companies Act 1981 of Bermuda
"Company"	Daisho Microline Holdings Limited, an exempted limited liability company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0567)
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Increase in Authorised Share Capital"	the proposed increase in the Company's authorised share capital from HK\$200,000,000 divided into 2,000,000,000 Shares to HK\$400,000,000 divided into 4,000,000,000 Shares by creating an additional 2,000,000,000 new Shares

DEFINITIONS

“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 4 of the notice of 2023 AGM
“Latest Practicable Date”	14 July 2023, 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
“Nomination Committee”	the nomination committee of the Company
“Remuneration Committee”	the remuneration committee of the Company
“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 5 of the notice of 2023 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
“Share Option Scheme”	the share option scheme approved and adopted by the Company on 22 November 2016 and the scheme mandate limit thereof refreshed on 23 September 2022
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“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.

LETTER FROM THE BOARD



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

Executive Directors:

Lee Man Kwong (*Chairman*)
Wong Siu Hung, Patrick

Non-executive Director:

Yau Pak Yue

Independent non-executive Directors:

Leung King Fai
Chan Yau Ching, Bob
Leung Hoi Ming

Registered Office:

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

Head Office and Principal

Place of Business:
Unit A, 10/F.
Fook Hing Industrial Building
33 Lee Chung Street
Chai Wan, Hong Kong

24 July 2023

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING FOR 2023

INTRODUCTION

The purpose of this circular is to provide you with the information regarding certain resolutions to be proposed at the 2023 AGM including (i) the granting of general mandates to the Directors to issue Shares and repurchase Shares; (ii) the re-election of Directors; and (iii) the Increase in Authorised Share Capital and to provide you with the notice of the 2023 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 23 September 2022, 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 2023 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 2023 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 4 of the notice of 2023 AGM (i.e. a total of 322,657,514 Shares on the basis that no further Shares are allotted and issued or repurchased after the Latest Practicable Date and up to the date of the 2023 AGM);
2. 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 5 of the notice of 2023 AGM (i.e. a total of 161,328,757 Shares on the basis that no further Shares are allotted and issued or repurchased after the Latest Practicable Date and up to the date of the 2023 AGM); and
3. extension of the Issue Mandate by adding the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

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

Mr. Yau Pak Yue and Mr. Leung Hoi Ming, will retire by rotation and, being eligible, will offer each of themselves for re-election at the 2023 AGM pursuant to Bye-Law 99 of the Bye-Laws, which provides that one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, who have been longest in office since their last election shall retire from office at each annual general meeting.

Mr. Leung Hoi Ming, has confirmed his independence with reference to the criteria set out in Rule 3.13 of the Listing Rules.

LETTER FROM THE BOARD

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 has recommended to the Board the re-election of all the retiring Directors, including the aforesaid independent non-executive Director, who is due to retire at the 2023 AGM. The Board has accepted the nomination from the Nomination Committee and considers that the re-election of each of them as a Director is in the interest of the Company and the Shareholders as a whole and each of them can continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. Each of them has indicated his willingness to offer himself for re-election at the 2023 AGM and abstained from discussion and voting at the Board meeting regarding his re-election.

The biographical details of the above Directors proposed for re-election at the 2023 AGM are set out in Appendix II to this circular.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the existing authorised share capital of the Company is HK\$200,000,000 divided into 2,000,000,000 Shares, of which 1,613,287,570 Shares are in issue and 386,712,430 Shares are authorised but unissued.

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 Share Option Scheme, the Board proposes the Increase in Authorised Share Capital. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

Upon the Increase in Authorised Share Capital becoming effective and assuming that no Shares are allotted and issued or repurchased after the Latest Practicable Date and up to the date of the 2023 AGM, the authorised share capital of the Company will become HK\$400,000,000 divided into 4,000,000,000 Shares, of which 1,613,287,570 Shares are in issue and 2,386,712,430 Shares are authorised but unissued. The new Shares authorised to be allotted and issued by the Company shall rank *pari passu* in all respects with the existing Shares in issue.

The proposed Increase in Authorised Share Capital is subject to the approval by the Shareholders by way of an ordinary resolution at the 2023 AGM. As at the Latest Practicable Date, save and except any Shares which may be issued upon the grant and exercise of the options under the Share Option Scheme, the Directors do not have any present intention of issuing any part of the unissued authorised share capital of the Company.

LETTER FROM THE BOARD

CLOSURE OF THE REGISTER OF MEMBERS

The 2023 AGM will be held at Room 202, 2/F, Duke of Windsor Social Service Building, No. 15 Hennessy Road, Wanchai, Hong Kong on Friday, 22 September 2023 at 10:00 a.m. For determining the entitlement to attend and vote at the 2023 AGM, the register of members of the Company will be closed from Tuesday, 19 September 2023 to Friday, 22 September 2023, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the 2023 AGM, unregistered holders of the Shares should ensure that all share transfer forms accompanied by the relevant share certificates must be lodged with Tricor Tengis Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 18 September 2023.

2023 AGM AND PROXY ARRANGEMENT

The notice convening the 2023 AGM to be held at Room 202, 2/F, Duke of Windsor Social Service Building, No. 15 Hennessy Road, Wanchai, Hong Kong on Friday, 22 September 2023 at 10:00 a.m. is set out on pages 15 to 19 of this circular.

Pursuant to the Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions proposed at the 2023 AGM shall be voted by way of a poll.

An announcement on the poll results will be published by the Company after the 2023 AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the 2023 AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the 2023 AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2023 AGM if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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 2023 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 the Stock Exchange (www.hkexnews.hk) to notify the Shareholders of the date, time and place of the rescheduled meeting.

RECOMMENDATION

The Board is of the opinion that (i) the granting of the general mandates to the Directors to issue Shares and to repurchase Shares; (ii) the re-election of Directors; and (iii) the Increase in Authorised Share Capital 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 2023 AGM.

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolution to be proposed at the 2023 AGM. Your attention is also drawn to the additional information set out in the appendices to this circular.

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

Yours faithfully,
By Order of the Board
Daisho Microline Holdings Limited
Lee Man Kwong
Chairman

APPENDIX I EXPLANATORY STATEMENT FOR REPURCHASE MANDATE

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\$161,328,757 comprising 1,613,287,570 Shares.

Subject to the passing of the relevant ordinary resolution to approve the granting of the Repurchase Mandate (as set out in item 5 of the notice of the 2023 AGM) and on the basis that no further Shares are allotted and issued or repurchased after the Latest Practicable Date and up to the date of the 2023 AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 161,328,757 Shares, representing 10% of the total number of issued Shares as at the date of the 2023 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 as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or earnings per Share, and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

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 2023 (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 the Shares, the Company may only apply funds which are legally available for such purpose in accordance with the Bye-Laws, the laws of Bermuda and/or any other applicable laws, as the case may be.

APPENDIX I EXPLANATORY STATEMENT FOR REPURCHASE MANDATE

5. SHARE PRICES

The highest and lowest prices per Share at which the Shares have been traded on the Stock Exchange during each of the twelve months immediately preceding, and including, the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2022		
July	0.088	0.060
August	0.085	0.047
September	0.121	0.062
October	0.083	0.065
November	0.094	0.078
December	0.115	0.082
2023		
January	0.125	0.103
February	0.135	0.100
March	0.193	0.118
April	0.192	0.162
May	0.183	0.173
June	0.178	0.143
July (up to and including the Latest Practicable Date)	0.148	0.120

6. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and 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 granting of the Repurchase Mandate is approved by Shareholders at the 2023 AGM.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, nor has he/she/it undertaken not to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by Shareholders at the 2023 AGM.

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 and all applicable laws of Bermuda.

APPENDIX I EXPLANATORY STATEMENT FOR REPURCHASE MANDATE

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 Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning as defined in 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 Rules 26 and 32 of the Takeovers Code and the provision may apply as a result of any such increase.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the following Shareholders had interests representing 5% or more of the issued share capital of the Company and their shareholdings of the Company upon full exercise of the Repurchase Mandate are set out below:

Name of Shareholder	Nature of Interest	Number of Shares held/ interested	Approximate % of the total number of Shares in issue	Approximate % of the total number of Shares in issue should the Repurchase Mandate be exercised in full
Spring Global Enterprises Limited <i>(Note 1)</i>	Beneficial owner	280,000,000	17.36	19.28
Ng Man Chan <i>(Note 2)</i>	Interest in a controlled corporation/ Interests held jointly with another person	299,180,000	18.55	20.60
Li Mi Lai <i>(Note 3)</i>	Interest of spouse/ Interests held jointly with another person	299,180,000	18.55	20.60
Cheung Ling Mun	Beneficial owner	120,068,000	7.44	8.26
Kingston Finance Limited <i>(Note 4)</i>	Person having a security interest in shares	120,068,000	7.44	8.26
Ample Cheer Limited <i>(Note 4)</i>	Interest in controlled corporation	120,068,000	7.44	8.26
Chu Yuet Wah <i>(Note 4)</i>	Interest in controlled corporation	120,068,000	7.44	8.26
Apact Consultancy (Hong Kong) Company Limited	Investment manager	103,826,000	6.44	7.15

APPENDIX I EXPLANATORY STATEMENT FOR REPURCHASE MANDATE

Notes:

- 1 Spring Global Enterprises Limited is wholly-owned by Ng Man Chan and hence, Ng Man Chan is deemed to be interested in all the Shares in which Spring Global Enterprises Limited is interested under Part XV of the SFO.
- 2 299,180,000 Shares comprise 280,000,000 Shares held through Spring Global Enterprises Limited and 19,180,000 Shares jointly held with his spouse, Li Mi Lai.
- 3 Li Mi Lai is the spouse of Ng Man Chan. By virtue of Part XV of the SFO, Li Mi Lai is deemed to be interested in the same number of Shares in which Ng Man Chan is deemed to be interested under Part XV of the SFO. Li Mi Lai also holds 19,180,000 Shares jointly with her spouse, Ng Man Chan.
- 4 Kingston Finance Limited is wholly-owned by Ample Cheer Limited, which is in turn wholly-owned by Chu Yuet Wah. Hence, both Ample Cheer Limited and Chu Yuet Wah are deemed to be interested in all the Shares in which Kingston Finance Limited is interested under Part XV of the SFO.

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 nor 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 as 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 six months immediately preceding the Latest Practicable Date.

The following are biographical details of the Directors who will retire and being eligible, offer themselves for re-election at the 2023 AGM:

- (1) **Yau Pak Yue (“Mr. Yau”)**, aged 54, has been appointed as a non-executive Director and a member of the Audit Committee since 3 September 2020. He obtained his Bachelor of Commerce (majoring in Accountancy) from the University of Wollongong in Australia. He was the chief knowledge officer of Guangzhou Chengfa Capital Company Limited, a state-owned fund management company, from May 2015 to January 2017. Prior to that, he was the chief executive officer of Taiyang International Cold Chain (Group) Limited from March 2014 to July 2014, and a partner at one of the big four international accounting firms from 2005 to 2012. He has over 25 years of experience in mergers and acquisitions transaction supports and financial due diligence. Mr. Yau is currently the director of Ewin Advisory Company Limited.

Mr. Yau is also a certified public accountant in Hong Kong and a certified practising accountant in Australia. As at the Latest Practicable Date, Mr. Yau serves as an independent non-executive director of Fullsun International Holdings Group Co., Limited (stock code: 627), an independent non-executive director of Hifood Group Holdings Co., Limited (currently renamed as Domaine Power Holdings Limited) (stock code: 442), an independent non-executive director of Xinhua News Media Holdings Limited (stock code: 309) and a non-executive director of DreamEast Group Limited (stock code: 593). Mr. Yau was an independent non-executive director of KEE Holdings Company Limited (currently renamed as China Apex Group Limited) (stock code: 2011) from July 2017 to November 2019 and Ascent International Holdings Limited (currently renamed as China International Development Corporation Limited) (stock code: 264) from September 2017 to August 2018. Mr. Yau was an executive director of Freeman FinTech Corporation Limited (currently renamed as Arta TechFin Corporation Limited) (stock code: 279) from July 2020 to October 2021. Mr. Yau was a non-executive director of Peking University Resources (Holdings) Company Limited (stock code: 618) from October 2021 to December 2021. All of the above companies are listed on the Main Board of the Stock Exchange.

Mr. Yau has entered into a service contract with the Company. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the provision of the Bye-Laws. Mr. Yau is entitled to a director’s fee of HK\$50,000 per month, which has been determined by the Board with reference to his duties and responsibilities within the Group. Mr. Yau received HK\$600,000 as aggregate director’s fee for the year ended 31 March 2023.

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

Save as disclosed above, Mr. Yau (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 or substantial or controlling Shareholders; and (iii) has not held any other directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and other major appointments and professional qualifications.

Save as disclosed above, there is no other matter concerning Mr. Yau that needs to be brought to the attention of the Shareholders nor is Mr. Yau 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) **Leung Hoi Ming (“Dr. Leung”)**, aged 55, has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee since 30 April 2021. He has extensive knowledge and experience in risk management of financial instruments, treasury business and financial derivative products. He has served DBS Bank Ltd. for eight years and was a senior vice president in the Treasury and Markets Division upon his departure from the bank on 22 May 2009. Dr. Leung started his career in the finance industry in 1996 with Citibank as quantitative analyst in the Equity Derivatives Asia Department. He had served a few other financial institutes before joining DBS Bank Ltd. as a financial product specialist as well and had held various roles in business development, trading and risk management.

Dr. Leung holds a Bachelor (First Class Honours) degree of Science from the Chinese University of Hong Kong in 1990. Also, he holds a Master degree of Science in Mathematics in 1993 and a Doctor degree of Philosophy in Mathematics in 1996 both from the California Institute of Technology, and a Master degree of Science in Investment Management from the Hong Kong University of Science and Technology in 1999.

As at the Latest Practicable Date, Dr. Leung is an independent non-executive director of Yuan Heng Gas Holdings Limited (stock code: 332) since January 2010. Dr. Leung was an independent non-executive director of Fresh Express Delivery Holdings Group Co., Limited (stock code: 1175) from July 2013 to December 2021. All of the above companies are listed on the Main Board of the Stock Exchange.

Dr. Leung has entered into a letter of appointment with the Company. His appointment is subject to rotation and re-election at annual general meetings of the Company in accordance with the provision of the Bye-Laws. The letter of appointment can be terminated by either party by giving not less than one month written notice in advance. Dr. Leung is entitled to a director’s fee of HK\$20,000 per month which is determined by arm’s length negotiation between Dr. Leung and the Company with reference to his duties and responsibilities. The amount of the remuneration has been approved by the Board and the Remuneration Committee. Dr. Leung received HK\$240,000 as aggregate director’s fee for the year ended 31 March 2023.

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

Save as disclosed above, Dr. Leung (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 or substantial or controlling Shareholders; and (iii) has not held any other directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and other major appointments and professional qualifications.

Save as disclosed above, there is no other matter concerning Dr. Leung that needs to be brought to the attention of the Shareholders nor is Dr. Leung 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.

The Board would consider to enhance its diversity with different expertise when re-electing an independent non-executive Director. Dr. Leung has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. He has extensive knowledge and various experience in risk management of financial instruments, treasury business and financial derivative products. The Board considers Dr. Leung is independent and can bring further contribution to the Board and its diversity.



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 Room 202, 2/F, Duke of Windsor Social Service Building, No. 15 Hennessy Road, Wanchai, Hong Kong on Friday, 22 September 2023 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt 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 2023.
2.
 - (a) To re-elect Mr. Yau Pak Yue as a non-executive director of the Company.
 - (b) To re-elect Mr. Leung Hoi Ming as an independent non-executive director of the Company.
 - (c) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.
3. To re-appoint Mazars CPA Limited as the independent auditor of the Company and to authorise the board of directors of the Company to fix its remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which 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 options or otherwise) by the directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under the existing share option scheme of the Company; or
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of resolution no. 6),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING FOR 2023

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of 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, the Companies Act 1981 of Bermuda (as amended) (the **“Companies Act”**) or any applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors by this resolution.

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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

“THAT:

- (a) the exercise by the directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange of Hong Kong Limited, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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(b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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, the Companies Act or any applicable law of Bermuda to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors by this resolution.”

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

“**THAT** the directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

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

“**THAT:**

(a) the authorised share capital of the Company be increased from HK\$200,000,000 divided into 2,000,000,000 shares of HK\$0.10 each to HK\$400,000,000 divided into 4,000,000,000 shares of HK\$0.10 each, by the creation of an additional 2,000,000,000 new shares of HK\$0.10 each (the “**Increase in Authorised Share Capital**”), such shares shall rank *pari passu* in all respects; and

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- (b) any one or more of the directors or the company secretary of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”

For and on behalf of the Board
Daisho Microline Holdings Limited
Lee Man Kwong
Chairman

Hong Kong, 24 July 2023

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 The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the annual general meeting is entitled to appoint one proxy or, if the shareholder holds two or more shares, more than one proxy to attend and, subject to the provisions of the Bye-Laws of the Company, to 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. Only a shareholder of the Company may be appointed to act as a proxy.
3. In the case of joint registered holders of any Share, any one of such joint holders may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto. But if more than one of such joint holders be present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect of thereof. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.
4. 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 2023 AGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. The register of members of the Company will be closed from Tuesday, 19 September 2023 to Friday, 22 September 2023, both days inclusive, during which period no transfer of shares will be effected, while the record date for determining the entitlement to attend and vote at the 2023 AGM will be Friday, 22 September 2023. 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 September 2023.