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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

 **KINGSTON SECURITIES**

Reference is made to the announcement of Daisho Microline Holdings Limited (the “**Company**”) dated 28 February 2017 (the “**Announcement**”) in relation to, among others, the placing of new shares of the Company under general mandate. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

COMPLETION

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and Completion took place on 20 March 2016. The Placing Agent has successfully placed 96,000,000 Shares at the Placing Price of HK\$0.50 per Placing Share to not less than six Placees.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are independent of the Company and its connected persons (as defined in the Listing Rules). None of the Placees nor their associates has become a substantial shareholder (as defined under the Listing Rules) of the Company immediately after Completion.

The Placing Shares were issued pursuant to the General Mandate. The net proceeds from the Placing was approximately HK\$46.5 million which will be applied in the manner as described under the section headed “REASONS FOR THE PLACING AND USE OF PROCEEDS FROM THE PLACING” of the Announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) immediately before Completion; (b) immediately after Completion; and (c) immediately after Completion and assuming full conversion of the Convertible Bonds are as follows:

Shareholders	Immediately before Completion		Immediately after Completion		Immediately after Completion and assuming full conversion of the Convertible Bonds	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Cheung Ling Mun	120,068,000	25.00%	120,068,000	20.84%	120,068,000	15.47%
Daisho Denshi Co., Ltd.	50,000,000	10.41%	50,000,000	8.68%	50,000,000	6.44%
Bondholder(s)	–	0%	–	0%	200,000,000	25.77%
Public Placees and other public Shareholders	310,175,785	64.59%	406,175,785	70.48%	406,175,785	52.32%
Total	<u>480,243,785</u>	<u>100.00%</u>	<u>576,243,785</u>	<u>100.00%</u>	<u>776,243,785</u>	<u>100.00%</u>

By order of the Board
Cheung Lai Na
Interim Chairman

Hong Kong, 20 March 2017

As at the date of this announcement, the Board consists of 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, YEUNG Chi Shing Bret, LEUNG King Fai and CHOU Yuk Yan.