



# DAISHO MICROLINE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 0567)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company will be held at Garden Room A-B, 2/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 8 September 2006 at 10:00 a.m. for the following purposes:

1. To receive and adopt the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2006.
2. To approve the proposed final dividend for the year ended 31 March 2006.
3. To re-elect three directors, to fix the number of directors to twelve and to authorise the Board of Directors to fix the remuneration of the directors.
4. To appoint Auditors for the ensuing year and to authorise the Board of 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 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 share 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;
- (c) the aggregate nominal amount of shares 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 propose 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).”

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 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 the said approval shall be limited accordingly; and
- (c) For the purposes 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.”

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  
**Au-Yeung Wai Hung**  
*Company Secretary*

Hong Kong, 26 July 2006

*As at the date of this announcement, the Board comprises the following members:*

*Executive directors:*

Chan Sik Ming, Harry (*Chairman & CEO*)  
Motofumi Tsumura  
Hiroto Sasaki  
Hiroyuki Kikuchi  
Au-Yeung Wai Hung

*Independent non-executive directors:*

Kohu Kashiwagi  
Chan Yuk Tong  
Li Chi Kwong

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. 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 thereof, must be deposited with the Company's branch share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting if the member so wishes.
3. The register of members will be closed from 6 September 2006 to 8 September 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 5 September 2006.
4. An explanatory statement containing further details in respect of the resolution numbered 6 is set out in Appendix I of the Company's Circular dated 26 July 2006.
5. With regard to the resolution numbered 3 in this notice, the Board of Directors recommends to the members of the Company to vote for the re-election of the three retiring directors, namely, Mr. Hiroyuki Kikuchi, Mr. Kohu Kashiwagi and Dr. Li Chi Kwong who have all agreed to stand for the re-election. The biographical information of the three retiring directors are set out in the Appendix II to the Company's Circular dated 26 July 2006.