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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

TERMINATION OF CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of Daisho Microline Holdings Limited (the “**Company**”) dated 29 September 2017, 16 January 2018, 16 March 2018, 14 June 2018 and 2 April, 2019 and the circular dated 27 December 2017 in relation to, among other things, the Continuing Connected Transactions, being the leasing of the Vessel(s) by the Company (as lessor) to Inter-Pacific Group Pte. Limited (as lessee) under the Master Lease Agreement.

The Board of directors (the “**Board**”) of the Company announces that on 19 August 2019, Inter-Pacific Group Pte. Limited served a termination notice to the Company pursuant to the terms of the Master Lease Agreement to terminate the Master Lease Agreement. The Master Lease Agreement will be terminated on 30 November 2019.

This announcement is made pursuant to Rule 14A.35 of the Listing Rules in relation to the termination of the Continuing Connected Transactions.

References are made to the announcements of Daisho Microline Holdings Limited dated 29 September 2017, 16 January 2018, 16 March 2018, 14 June 2018 and 2 April, 2019 (the “**Announcements**”) and the circular of the Company dated 27 December 2017 (the “**Circular**”) in relation to, among other things, the leasing of the Vessel(s) by the Company (as lessor) to Inter-Pacific Group Pte. Limited (“**IPP**”) (as lessee) under the Master Lease Agreement. Under otherwise expressly indicated, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

The Master Lease Agreement dated 29 September 2017 was entered into between the Company and IPP of which owned as to 50% by Ms. Cheung Lai Na, a substantial shareholder and an executive director of the Company. Details of the transactions are set out in the Circular. Under the Master Lease Agreement, the Group had leased two vessels, namely Pacific Energy 28 and Pacific Energy 138, to the wholly-owned subsidiaries of IPP, which constituted Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules.

The Master Lease Agreement had taken effect from the completion of the transfer of the first Vessel (namely Pacific Energy 28) to the subsidiary of the Company until 31 March 2020, unless earlier terminated by either party giving a prior written notice of three months to the other.

TERMINATION OF CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 19 August 2019, IPP served a termination notice to the Company pursuant to the terms of the Master Lease Agreement to terminate the Master Lease Agreement. The Master Lease Agreement will be terminated on 30 November 2019. Upon termination of the Master Lease Agreement, the parties shall be released from all obligations under the Master Lease Agreement.

LISTING RULES IMPLICATIONS

The Board (including the Independent Non-executive Directors) (with Ms. Cheung Lai Na, by virtue of her connected relationships with IPP as disclosed above, is regarded as having a material interest in the Continuing Connected Transactions and has abstained from voting on the relevant Board resolutions in respect of the termination of the Continuing Connected Transactions) considers that the termination of the Master Lease Agreement pursuant to the terms thereof is fair and reasonable and on normal commercial terms and will not cause any material adverse impact on the business, operation or financial condition of the Group.

This announcement is made pursuant to Rule 14A.35 of the Listing Rules in relation to the termination of the Continuing Connected Transactions.

By order of the Board
CHEUNG Lai Na
Chairman

Hong Kong, 19 August 2019

As at the date hereof, the directors of the Company comprise:

Executive directors:

CHEUNG Lai Na
CHEUNG Lai Ming
LEE Man Kwong
LAW Ping Wah

Independent non-executive directors:

CHOU Yuk Yan
LEUNG King Fai
Dr. CHAN Yau Ching, Bob