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## **DAISHO MICROLINE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0567)**

### **RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE**

#### **Underwriter to the Rights Issue**



#### **Financial adviser to the Company**



References are made to the prospectus of the Company dated 24 November 2021 (the “**Prospectus**”) in relation to the Rights Issue on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date. Pursuant to the Underwriting Agreement, the Rights Issue was fully-underwritten by the Underwriter. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Prospectus.

#### **RESULTS OF THE RIGHTS ISSUE**

The Board is pleased to announce that all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated by the Underwriter on or before the Latest Time for Termination. Accordingly the Rights Issue became unconditional at 4:00 p.m. on Friday, 10 December 2021.

As at 4:00 p.m. on Wednesday, 8 December 2021, being the latest time for acceptance of and payment for the Rights Shares and application of and payment for excess Rights Shares, a total of 31 valid acceptances and applications had been received for a total of 563,497,936 Rights Shares, which comprise:

- (i) a total of 16 valid acceptances for provisional allotments under the PALs in respect of a total of 314,652,886 Rights Shares, representing approximately 39.01% of the total number of Rights Shares available under the Rights Issue; and
- (ii) a total of 15 valid applications for excess Rights Shares under the EAFs in respect of a total of 248,845,050 Rights Shares, representing approximately 30.85% of the total number of Rights Shares available under the Rights Issue.

In aggregate, the valid applications and acceptances represented approximately 69.86% of the total number of 806,643,785 Rights Shares available for subscription under the Rights Issue.

Based on the above acceptance and application results, the Rights Issue was under-subscribed by 243,145,849 Rights Shares, representing approximately 30.14% of the total number of Rights Shares available for subscription under the Rights Issue.

### **Underwriting Agreement**

As all the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Friday, 10 December 2021, the Underwriting Agreement became unconditional at 4:00 p.m. on Friday, 10 December 2021.

As the Rights Issue was under-subscribed, the Underwriter had procured the subscription of 243,145,849 unsubscribed Rights Shares, representing approximately 30.14% of the total number of Rights Shares available for subscription under the Rights Issue.

As confirmed by the Underwriter, each of the sub-underwriters and/or subscribers procured by the sub-underwriters of the unsubscribed Rights Shares is a third party independent of and not connected with the Company and its associates and close associates, and none of them will become a substantial Shareholder of the Company immediately after the allotment and issue of the Rights Shares and each of the sub-underwriters and subscribers, together with parties acting in concert (within the meaning of the Takeovers Code) with it, will not hold 30% or more of the voting rights of the Company immediately after the allotment and issue of the Rights Shares.

## Excess Rights Shares

Given the under-subscription of the Rights Shares, the Directors consider that it is fair and reasonable to accept all valid EAFs and allot the 248,845,050 excess Rights Shares to such applicants in full and therefore, no refund cheques for wholly or partially unsuccessful applications for excess Rights Shares will be posted.

## Effects of the Rights Issue on the shareholding structure of the Company

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:

	Immediately before Completion of the Rights Issue		Immediately after Completion of the Rights Issue	
	Number of issued Shares	Approximate %	Number of issued Shares	Approximate %
Cheung Ling Mun ( <i>Note 1</i> )	120,068,000	14.88	–	–
Lee Man Kwong	10,000	0.001	10,000	0.0006
Spring Global Enterprises Limited ( <i>Note 2</i> )	–	–	280,000,000	17.36
Public Shareholders				
Apact Consultancy (Hong Kong) Company Limited	51,000,000	6.32	103,826,000	6.44
Cheung Ling Mun ( <i>Note 1</i> )	–	–	120,068,000	7.44
Spring Global Enterprises Limited ( <i>Note 2</i> )	40,000,000	4.96	–	–
Other Shareholders	595,565,785	73.84	866,237,721	53.69
Subscribers procured by the Underwriter	–	–	243,145,849	15.07
Subtotal of the public Shareholders	686,565,785	85.12	1,333,277,570	82.64
<b>Total</b>	<b>806,643,785</b>	<b>100.00</b>	<b>1,613,287,570</b>	<b>100.00</b>

### Notes:

1. Cheung Ling Mun will cease to hold 10% or more of shareholdings of the Company upon completion of the Rights Issue and will cease to be a substantial Shareholder (as defined in the Listing Rules).
2. Spring Global Enterprises Limited will become a substantial Shareholder (as defined in the Listing Rules) upon completion of the Rights Issue. Spring Global Enterprises Limited is wholly-owned by Ng Man Chan. 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.

### **Despatch of share certificate for the Rights Shares**

Share certificates for all fully-paid Rights Shares are expected to be despatched on or about Thursday, 16 December 2021 by ordinary post to those entitled thereto, at their own risk, to their registered addresses.

### **Use of proceeds**

The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$77.8 million. The net proceeds of the Rights Issue will be applied in accordance with the proposed use of proceeds set out in the section headed “Letter from the Board — Reasons for and Benefits of the Rights Issue and Intended Use of Proceeds” in the Prospectus as to:

- (i) approximately HK\$38 million, for repayment of bank loan of the Group in the principal amount of HK\$37,026,000 with floating interest rate at 1-month Hong Kong Interbank Offered Rate plus 3.5% per annum which will be matured on 30 November 2021 and subsequently renewed until it is settled by the proceeds from the Rights Issue;
- (ii) approximately HK\$19.8 million, for general working capital of the Group, including general administrative and operating expenses; and
- (iii) approximately HK\$20 million, for investments in appropriate opportunities in the energy and resources, printing, high technology and healthcare industries.

### **Commencement of dealing in fully-paid Rights Shares**

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 17 December 2021.

### **Odd lots matching services**

In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, a designated broker, Kingston Securities Limited, has been appointed by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share from Friday, 17 December 2021 to 4:10 p.m. on Friday, 21 January 2022 (both dates inclusive). Kingston Securities Limited confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) they are Independent Third Parties.

Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact Mr. James Lee of Kingston Securities Limited at 72/F, The Center, 99 Queen's Road Central, Central, Hong Kong (telephone number: (852) 2298 6228 during office hours (i.e. 9:30 a.m. to 4:00 p.m.) of such period). Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

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

Hong Kong, 15 December 2021

*As at the date of this announcement, the Board consists of three executive Directors, namely, LEE Man Kwong, WONG Siu Hung, Patrick and MENG Chuixiang, 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.*