DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

The Board of Directors (the "Board") of Daisho Microline Holdings Limited (the "Company") announces the preliminary consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016 together with the comparative figures of the previous corresponding year are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 March	
		2016	2015
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**206,940**	238,559
Cost of sales		**(225,379)**	(230,805)
Gross (loss) profit		**(18,439)**	7,754
Other income		**12,702**	15,873
Selling and distribution expenses		**(8,422)**	(8,270)
Administrative expenses		**(40,194)**	(38,527)
Other operating expenses		**(1,080)**	(1,887)
Fair value (losses) gains on financial assets at fair value through profit or loss, net		**(1,506)**	790
Insurance compensation		**–**	73,561
Gain on disposal of non-current asset classified as held for sale		**–**	4,102
Impairment loss on property, plant and equipment		**–**	(6,540)
Impairment loss on available-for-sale financial assets	*8*	**–**	(10,000)
Impairment loss on other receivables, deposits and prepayments	*7*	**–**	(14,083)
(Loss) Profit from operations		**(56,939)**	22,773
Finance costs	*4*	**(3,962)**	(4,976)
(Loss) Profit before taxation	*4*	**(60,901)**	17,797
Income tax expenses	*5*	**–**	(3,505)
(Loss) Profit for the year		**(60,901)**	14,292
(Loss) Profit attributable to:			
Owners of the Company		**(60,901)**	14,292
(Loss) Earnings per share	*6*		
– Basic and diluted		**HK(12.68) cents**	HK2.98 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
(Loss) Profit for the year	**(60,901)**	14,292
Other comprehensive loss:		
Items that are or may be reclassified subsequently to profit or loss:		
Reclassification adjustment for exchange difference realised upon the disposal of non-current asset classified as held for sale	**–**	(3,243)
Exchange difference on translation of functional currency to presentation currency	**(21,161)**	(5,449)
Other comprehensive loss for the year	**(21,161)**	(8,692)
Total comprehensive (loss) income for the year	**(82,062)**	5,600
Total comprehensive (loss) income attributable to:		
Owners of the Company	**(82,062)**	5,600

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
		2016	2015
	Notes	***HK$'000***	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**98,957**	91,444
Prepaid lease payments		**13,005**	13,956
Deposits paid for acquisition of property, plant and equipment		**3,621**	989
Available-for-sale financial assets	*8*	**9,281**	9,281
		124,864	115,670
CURRENT ASSETS			
Financial assets at fair value through profit or loss		**4,066**	5,572
Inventories		**22,880**	29,418
Trade receivables	*9*	**19,327**	32,069
Other receivables, deposits and prepayments		**40,713**	56,962
Pledged bank deposits		**243,703**	280,490
Cash and cash equivalents		**74,199**	91,083
		404,888	495,594
CURRENT LIABILITIES			
Trade payables	*10*	**32,410**	34,861
Other payables and accruals		**26,509**	20,062
Interest-bearing borrowings	*12*	**240,549**	241,782
Provision	*11*	**–**	2,213
		299,468	298,918
NET CURRENT ASSETS		**105,420**	196,676
NET ASSETS		**230,284**	312,346
CAPITAL AND RESERVES			
Share capital		**48,024**	48,024
Reserves		**182,260**	264,322
TOTAL EQUITY		**230,284**	312,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the applicable disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies adopted and basis of preparation used in the preparation of these consolidated financial statements are the same as those adopted in preparing the annual consolidated financial statements for the year ended 31 March 2015, except that the Group has adopted the new/revised HKFRSs which are effective for the current year's consolidated financial statements as detailed in note 2 below.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

In the current year, the Group has applied the following new/revised HKFRSs that are relevant to the Group and effective from current year.

Amendments to HKAS 19 (2011): ***Employee Benefits: Defined Benefit Plans – Employee Contributions***

The narrow-scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments do not have an impact on the consolidated financial statements.

Annual Improvements Project: 2010-2012 Cycle

The amendments relevant to the Group include the followings.

(1) HKFRS 8 Operating Segments

HKFRS 8 is updated as follows:

a) Judgements made by management in aggregating two or more operating segments exhibiting similar long-term financial performance and economic characteristics are required to be disclosed. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

b) It is clarified that the reconciliation of the total reportable segments' assets to the entity's assets is only required to be disclosed if the segment assets are regularly reported to the chief operating decision maker.

The application of these amendments does not have an impact on the consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

Amendments to HKAS 19 (2011): ***Employee Benefits: Defined Benefit Plans – Employee Contributions (continued)***

Annual Improvements Project: 2010-2012 Cycle (continued)

(2) HKFRS 13 Fair Value Measurement

The basis for conclusions is amended to clarify that the issuance of HKFRS 13 and the consequential amendments to HKFRS 9 and HKAS 39 did not remove the entity's ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, when the effect of not discounting is immaterial. The application of the amendments does not have an impact on the consolidated financial statements.

(3) HKAS 24 Related Party Disclosures

HKAS 24 is amended to clarify that an entity, or any member of a group of which it is a part, providing key management personnel services (the "management entity") to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The reporting entity shall disclose the amounts incurred for key management personnel services that are provided by the management entity. However, the compensation paid or payable by the management entity to its employees or directors is not required to be disclosed. The application of these amendments does not have an impact on the consolidated financial statements.

Annual Improvements Project – 2011-2013 Cycle

The amendments relevant to the Group include the following.

HKFRS 13 Fair Value Measurement

These amendments clarify that all contracts within the scope of HKAS 39 or HKFRS 9 are included in the scope of the exception as set out in HKFRS 13 for measuring the fair value of a group of financial assets and financial liabilities on a net basis, even if those contracts do not meet the definitions of financial assets or financial liabilities in HKAS 32. The application of these amendments does not have an impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The principal activities of the Group are investment holding and manufacturing and trading of printed circuit boards. There was no change in the nature of the Group's principal activities during the year.

Revenue represents net invoiced value of goods sold after allowance for returns, trade discounts and value-added tax during the year.

The Company's management considers that the Group has only one reportable segment, which is the manufacturing and trading of printed circuit boards. Revenue and operating results are the two key indicators provided to the Group's chief operating decision maker to make decision about resource allocation and performance assessment.

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	2016	2015
	HK$'000	*HK$'000*
North America	**74,794**	61,680
The People's Republic of China (the "PRC")	**50,001**	66,501
Hong Kong	**39,375**	46,900
Japan	**25,071**	39,750
Europe	**16,110**	19,975
Other countries	**1,589**	3,753
	206,940	238,559

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2016	2015
	HK$'000	*HK$'000*
Hong Kong	**496**	241
The PRC	**115,087**	106,148
	115,583	106,389

The non-current asset information above is based on the locations of assets and excludes available-for-sale financial assets.

4. (LOSS) PROFIT BEFORE TAXATION

This is stated after (crediting) charging:

	2016	2015
	HK$'000	*HK$'000*
Finance costs		
Interest on bank borrowings	**3,962**	4,976
Staff costs (excluding directors' emoluments)		
Salaries and other benefits	**40,224**	36,634
Contribution to defined contribution plans	**4,646**	3,651
	44,870	40,285
Other items		
Auditor's remuneration		
– Current year	**930**	2,067
– Under-provision for prior year	**–**	85
Amortisation of prepaid lease payments	**315**	322
Cost of inventories *(Note (i))*	**226,483**	231,930
Depreciation	**14,402**	13,501
Exchange (gain) loss, net	**(300)**	315
(Gain) Loss on disposal of property, plant and equipment	**(321)**	748
Impairment loss on trade receivables	**20**	–
Operating lease charges for premises	**304**	305
Reversal of write down of inventories	**(1,110)**	(1,125)
Write down of inventories	**6**	–

Note:

(i) Cost of inventories includes HK$43,282,000 (2015: HK$40,688,000) relating to staff costs and depreciation, which are included in the respective total amounts disclosed separately above.

5. INCOME TAX EXPENSES

PRC Enterprise Income Tax has not been provided as the Group has no assessable profits arising in the PRC for the year (2015: PRC Enterprise Income Tax has been provided based on the Group's estimated assessable profits arising in the PRC).

Hong Kong Profits Tax has not been provided as the Group has no assessable profits arising in Hong Kong for the year (2015: Nil).

5. INCOME TAX EXPENSES (CONTINUED)

Where there are assessable profits, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits and PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profits for both years.

	2016	2015
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax:		
Current year	**–**	3,294
Hong Kong Profits Tax:		
Under-provision in prior years	**–**	211
	–	3,505

6. (LOSS) EARNINGS PER SHARE

(a) Basic (loss) earnings per share

The calculation of basic (loss) earnings per share is based on the (loss) profit attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the year as follows:

	2016	2015
	HK$'000	*HK$'000*
(Loss) Profit attributable to owners of the Company	**(60,901)**	14,292

	Number of Shares	
	2016	2015
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	**480,243,785**	480,243,785
Basic (loss) earnings per share	**HK(12.68) cents**	HK2.98 cents

(b) Diluted (loss) earnings per share

There were no dilutive potential ordinary shares in issue during both years. The diluted (loss) earnings per share is the same as the basic (loss) earnings per share during the years ended 31 March 2016 and 2015.

7. IMPAIRMENT LOSS ON OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016	2015
	HK$'000	*HK$'000*
Impairment loss recognised in respect of:		
– Prepayment to a sewage treatment company	–	7,424
– Loan to the holding company of a sewage treatment company	–	2,499
– Loan receivable from a chamber of commerce in Huizhou	–	4,160
	–	14,083

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The available-for-sale financial assets represents an unlisted equity investment (7.46%) in Daisho Denshi Co., Ltd., a substantial shareholder of the Company which was incorporated in Japan, which is designated as available-for-sale financial assets. This unlisted equity investment was stated at cost less impairment because the directors are of the opinion that the fair value cannot be measured reliably given that the range of reasonable fair value estimates is so significant and the probabilities of the various estimates cannot be reasonably assessed. The Group does not intend to dispose of this unlisted equity investment in the near future.

No impairment loss was recognised during the year ended 31 March 2016. An impairment loss of HK$10,000,000 was recognised during the year ended 31 March 2015.

9. TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables		
From third parties	**16,074**	26,904
From a related party	**3,483**	5,385
	19,557	32,289
Allowance for doubtful debts	**(230)**	(220)
	19,327	32,069

The related party, which is a subsidiary of a substantial shareholder of the Company, is granted with a credit period of 45 days. At the end of the reporting period, no provision had been made for non-repayment of the amount due.

9. TRADE RECEIVABLES (CONTINUED)

The Group's business with its trade debtors are mainly on credit basis and the credit period is generally two months. At the end of the reporting period, the ageing analysis of trade receivables (before allowance for doubtful debts) by invoice date is as follows:

	2016	2015
	HK$'000	*HK$'000*
Less than 1 month	**14,522**	17,985
1 to 2 months	**2,694**	10,598
2 to 3 months	**1,960**	3,418
Over 3 months	**381**	288
	19,557	32,289

At the end of the reporting period, the ageing analysis of trade receivables (net of allowance for doubtful debts) which are past due but not impaired is as follows:

	2016	2015
	HK$'000	*HK$'000*
Not past due	**18,153**	28,887
Less than 1 month past due	**1,020**	3,024
1 to 2 months past due	**154**	91
2 to 3 months past due	**–**	67
	19,327	32,069

The trade receivables that are past due but not impaired related to a number of independent customers that have a good track record with the Group. The Group has not recognised impairment on these balances as there has not been a significant change in credit quality and the directors believe that the amounts are recoverable. The Group does not hold any collateral over these balances.

Receivables that are neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

10. TRADE PAYABLES

The trade payables are non-interest bearing and the Group is normally granted with a credit term of 90 days.

The ageing analysis of trade payables, at the end of the reporting period based on the invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Less than 1 month	**9,218**	10,658
1 to 2 months	**4,455**	5,890
2 to 3 months	**7,019**	9,138
Over 3 months	**11,718**	9,175
	32,410	34,861

11. PROVISION

Provision for tax payable and tax penalty

Provision for tax payable in respect of tax evasion of customs duty and import value-added tax in total of RMB1,771,000 (equivalent to approximately HK$2,213,000) was made as at 31 March 2015. The final assessment of the tax evasion in total of RMB1,771,000 (equivalent to approximately HK$2,213,000) was issued in April 2015. The tax payable was settled in May 2015.

12. INTEREST-BEARING BORROWINGS

	2016		2015	
	Effective interest rate (%)	***HK$'000***	Effective interest rate (%)	*HK$'000*
Bank loans				
– secured	HIBOR+1.2% to LIBOR+1.5%	**240,549**	HIBOR +1.1% to HIBOR+1.5%	171,782
– secured	N/A	**–**	2.3%	70,000
		240,549		241,782

At the end of the reporting period, all bank loans are repayable within one year and are secured by the Group's bank deposits amounting to HK$243,703,000 (2015: HK$280,490,000) and all of the Group's Hong Kong listed equity investments amounting to HK$4,066,000 (2015: HK$5,572,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

The Group's revenue for the current year was about HK$207 million, down 13% from last year mainly due to the slow-down of the global economy. Contrary to the net profit of about HK$14 million for last year, the Group's net loss for the current year was about HK$61 million, mainly due to the recognition of the total insurance compensation of about HK$74 million for the last year relating to the fire accident occurred in the principal production base of the Group in Huizhou, PRC on 24 January 2013. If all one-off events (namely the total insurance compensation, impairment loss on property, plant and equipment, impairment loss on available-for-sale financial assets, impairment loss on other receivables, deposits and prepayments, gain on disposal of non-current asset classified as held for sale and income tax expenses) had been excluded, the Group would have recorded a net loss of about HK$29 million for the last year instead.

Contrary to the Group's gross profit margin of about 3.3% for the last year, the Group's gross loss margin for the current year was about 8.9%. The gross loss for the current year was mainly due to (i) the reduction in variable contribution resulting from the decrease in Group's revenue as mentioned above; (ii) the increase in the minimum wages level in the Mainland China by about 20% since May 2015 and such increase in labour cost could not be totally shared by the Group's customers at once due to the fixed selling price for certain models of PCB during the contract period; (iii) the postponement of repair or replacement of certain production machinery until the current year causing substantial increase in repair and maintenance expenses as well as scrap cost during the current year.

The Group's gearing ratios (defined as interest-bearing borrowings divided by total equity) at 31 March 2016 was 104% (2015: 77%). The Group's current ratio at 31 March 2016 and 31 March 2015 was 1.35 times and 1.66 times respectively. The Group's PCB operations had a net cash outflow of about HK$22 million during the current year ended 31 March 2016 (2015: net cash inflow of about HK$10 million).

The interest rate structure, maturity profile, currency structure and underlying security of the Group's interest-bearing borrowings as at 31 March 2016 and 31 March 2015 are detailed in note 12 of this announcement.

As at 31 March 2016, the Group's total cash and bank balances were approximately HK$318 million (2015: HK$372 million) and the Group's total interest-bearing borrowings amounting to approximately HK$241 million (2015: HK$242 million). Therefore, the Group had a net cash balance of approximately HK$77 million (2015: HK$130 million). Besides, the total credit facilities available to the Group were approximately HK$246 million (2015: HK$341 million) and, therefore, the unutilised credit facilities were approximately HK$5 million (2015: HK$99 million). The decrease in the total credit facilities was caused by the granting of credit facilities to the Group by a bank before 31 March 2015, which were utilised after 31 March 2015 to repay the borrowings from another bank.

As at 31 March 2016, the Group's assets and liabilities were mostly denominated in either HK$, US$ or RMB. Because the exchange rate for US$ against HK$ is relatively stable in Hong Kong for the moment, the Group has not adopted any hedging tool against its assets or liabilities denominated in US$. Because the Group's subsidiary in Mainland China had net assets as at 31 March 2016 and the Group considers that the extent of any depreciation of RMB against HK$ should not be substantial in light of the current circumstance, the Group has not adopted any hedging tool against its assets or liabilities denominated in RMB.

Contingent Liabilities

As at 31 March 2016, the Group did not have any material contingent liability (2015: Nil). The Company has provided certain banks with corporate guarantees of about HK$238 million (2015: about HK$314 million) to secure banking facilities granted to subsidiaries. At 31 March 2016, the facilities were utilised to the extent of about HK$237 million (2015: about HK$238 million). The decrease in the total corporate guarantees was caused by the granting of credit facilities to the Group by a bank before 31 March 2015, which required the provision of corporate guarantee by the Company and such credit facilities were utilised after 31 March 2015 to repay the borrowings from another bank, which also required the provision of corporate guarantee by the Company previously.

Employee Benefits

As at 31 March 2016, the Group had 557 (2015: 605) employees, including directors, working mainly in Mainland China. For the year ended 31 March 2016, the Group's total staff costs including directors' emoluments were about HK$54 million (2015: about HK$49 million). The increase in the staff costs during the current period was mainly due to the increase in the minimum wages level in the Mainland China by about 20%.

Outlook

In light of the persistently sluggish global economy, the Group has taken various measures to confront the challenge. On one hand, the Group has taken various cost-savings and quality improvement measures so as to remain competitive. On the other hand, the Group has adopted strategic pricing policy and proactive marketing approach so as to canvass for new sales orders from both existing and potential customers. The Group has a competitive edge as gained from its past experience in the manufacturing of printed circuit boards for automobile components for which more emphasis will be put on this market in the near future.

The principal business of the Group at present consists of the trading and manufacturing of printed circuit boards only. In order to realise business diversification which should be in the interest of the shareholder of the Company, the Group has just commenced to undertake the business of indent trading of petrochemical products by itself with the help of newly recruited experts in this field so as to provide stable income source and cash inflow for the Group gradually.

The Group is well aware that its existing capital base is not strong enough either to support the continuous investment in advanced machinery as required by its existing printed circuit board business or to seize any golden business opportunity it comes across with promising return. Accordingly, the Group will consider to engage a financial adviser for the purpose of exploring the way and the time of broadening the capital base of the Group in due course.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: Nil).

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 March 2016, except for the following deviations:

Chairman and Chief Executive Officer

According to the Code Provision A.2.1, the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing.

The Company does not have a separate Chairman and CEO, and Mr. Chan Sik Ming, Harry currently holds both positions. The Board believes that vesting the roles of both Chairman and CEO in the same person ensures consistent leadership within the Group and enables more effective and efficient planning of long-term strategies and implementation of business plans. The Board believes that the balance of power and authority will not be impaired and is adequately ensured by an effective Board which comprises experienced and high calibre individuals with a sufficient number thereof being independent non-executive directors.

Non-executive directors

Under the Code Provision A.4.1, non-executive directors should be appointed for a specific term subject to re-election.

Dr. Li Chi Kwong does not have a specific term of appointment, but are subject to retirement by rotation and re-election in accordance with the relevant provisions of the Company's bye-laws.

Re-election of directors

Under the Code Provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Company's private act known as "The Juko Laboratories Holdings Limited Company Act 1990", which is an Act under the Company's former name of Juko Laboratories Holdings Limited when the Company was first established, the Chairman of the Company is not required to be subject to rotation in accordance with the bye-laws of the Company. However, in the spirit of good corporate governance practice, the existing Chairman of the Company, Mr. Chan Sik Ming, Harry has agreed to retire on a voluntary basis at least once every three years. The last time Mr. Chan Sik Ming, Harry retired on a voluntary basis was on 26 August 2013. He will also retire on a voluntary basis and, being eligible, will offer himself for re-election at the forthcoming annual general meeting in 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the consolidated financial statements of the Group for the year ended 31 March 2016 and agreed with all the accounting treatments which have been adopted therein.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as its code of conduct regarding the directors' securities transactions. The Company has made specific enquiries of all directors and all directors have confirmed that they have complied with the required standard set out in the Model Code.

SCOPE OF WORK PERFORMED BY MAZARS CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2016 have been agreed by the Group's auditor, Mazars CPA Limited ("Mazars"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The Company's Annual Report for the year ended 31 March 2016 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the website of the Stock Exchange at "www.hkexnews.hk" and the Company's website at "www.irasia.com/listco/hk/daisho" in due course.

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 7 October 2016

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

Executive directors:
CHAN Sik Ming, Harry *(Chairman & CEO)*
AU-YEUNG Wai Hung
CHEUNG Lai Na

Independent non-executive directors:
LI Chi Kwong
YEUNG Chi Shing, Bret
LEUNG King Fai
CHOU Yuk Yan