DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The Board of Directors (the "Board") of Daisho Microline Holdings Limited (the "Company") presents the preliminary consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008 as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 March	
		2008	2007
	Notes	***HK$'000***	*HK$'000*
REVENUE	3	**630,837**	750,449
Cost of sales		**(425,780)**	(427,423)
Gross profit		**205,057**	323,026
Other income and gains		**24,689**	6,065
Selling and distribution costs		**(47,638)**	(117,997)
Administrative expenses		**(35,387)**	(37,336)
Other expenses		**(12,331)**	(4,884)
Fair value losses, net on derivative financial instruments	4	**(39,474)**	-
Finance costs	5	**(3,376)**	(5,520)
PROFIT BEFORE TAX	4	**91,540**	163,354
Tax	6	**(23,949)**	(20,742)
PROFIT FOR THE YEAR		**67,591**	142,612
Attributable to equity holders of the Company		**67,591**	142,612

CONSOLIDATED INCOME STATEMENT (continued)

		Year ended 31 March	
		2008	2007
	Notes	***HK$'000***	*HK$'000*
DIVIDENDS	7		
Interim		**19,210**	19,225
Proposed final		**-**	14,418
		19,210	33,643
EARNINGS PER SHARE	8		
- Basic		**HK14.07 cents**	HK29.81 cents
- Diluted		**HK14.02 cents**	HK29.63 cents

CONSOLIDATED BALANCE SHEET

	Notes	**31 March 2008** *HK$'000*	31 March 2007 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	9	**381,507**	316,886
Prepaid land lease payments		**4,443**	4,171
Deposits paid for acquisition of items of property, plant and equipment		**6,239**	4,007
Total non-current assets		**392,189**	325,064
CURRENT ASSETS			
Inventories		**51,122**	40,569
Trade debtors	10	**66,503**	85,078
Available-for-sale investment		**16,644**	15,625
Other financial assets at fair value through profit or loss		**31,112**	-
Derivative financial instruments		**1,948**	-
Sundry debtors, prepayments and deposits		**11,442**	11,440
Cash and cash equivalents		**82,646**	85,562
Total current assets		**261,417**	238,274
CURRENT LIABILITIES			
Trade creditors	11	**76,071**	62,344
Other creditors and accruals		**35,348**	35,322
Derivative financial instruments		**45,169**	-
Interest-bearing bank and other borrowings		**27,150**	41,293
Tax payable		**352**	16,105
Total current liabilities		**184,090**	155,064
NET CURRENT ASSETS		**77,327**	83,210
TOTAL ASSETS LESS CURRENT LIABILITIES		**469,516**	408,274
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**4,190**	34,486
Deferred tax liabilities		**9,079**	200
Total non-current liabilities		**13,269**	34,686
Net assets		**456,247**	373,588
		=======	=======

CONSOLIDATED BALANCE SHEET (continued)

	31 March 2008 *HK$'000*	31 March 2007 *HK$'000*
EQUITY		
Equity attributable to equity holders of the Company		
Issued share capital	**48,024**	48,061
Reserves	**408,223**	311,109
Proposed final dividend	**-**	14,418
Total equity	**456,247**	373,588

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These 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 ("Int")) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for an available-for-sale investment, other financial assets at fair value through profit or loss and derivative financial instruments, which have been measured at fair value. These 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 and methods of computation used in the preparation of these financial statements are the same as those adopted in preparing the annual financial statements for the year ended 31 March 2007, except that the Group has adopted of the new/revised HKFRSs which are effective for the current year's financial statements as detailed in note 2 below and the change in accounting estimate as explained below.

With effect from the current year, the Group revised the estimated useful lives for machinery and equipment by extending their useful lives from five to ten years. This constitutes a change in accounting estimate. In the opinion of the directors, the revised estimated useful lives of machinery and equipment are more appropriately reflected by this change. This change has been applied prospectively and has resulted in a reduction in depreciation of approximately HK$44 million for the current year.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 7 *Financial Instruments: Disclosures*
This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

(b) Amendment to HKAS 1 *Presentation of Financial Statements – Capital Disclosures*
This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown as a note to the financial statements.

(c) HK(IFRIC)-Int 8 *Scope of HKFRS 2*
This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to the Group's employees in accordance with the Company's share option scheme, the interpretation has had no effect on these financial statements.

(d) HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives*
This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

(e) HK(IFRIC)-Int 10 *Interim Financial Reporting and Impairment*
The Group has adopted this interpretation as of 1 April 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

(f) HK(IFRIC)-Int 11 *HKFRS 2 – Group and Treasury Share Transactions*
This interpretation requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also address the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently does not have such transactions, the interpretation has had no impact on the Group.

3. REVENUE

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

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the year.

Segment information is presented by way of two formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary reporting basis, by geographical segment.

3. REVENUE (continued)

(a) Business segment

The Group has only one business segment, which is the manufacture and trading of printed circuit boards. Therefore, no business segment analysis is presented.

(b) Geographical segments

In presenting information by geographical segment, segment revenue is based on the location of the customers, and segment assets and capital expenditure are based on the location of the assets.

	Year ended 31 March	
	2008	2007
	HK$'000	*HK$'000*
Segment revenue:		
Sales to external customers		
Mainland China	**296,079**	306,703
Hong Kong	**127,782**	74,022
Europe	**92,124**	248,092
Japan	**73,032**	57,822
Others	**41,820**	63,810
	630,837	750,449

	31 March 2008	31 March 2007
	HK$'000	*HK$'000*
Other segment information:		
Segment assets		
Mainland China	**527,361**	378,198
Hong Kong	**126,245**	185,140
	653,606	563,338
Capital expenditure		
Mainland China	**75,738**	126,015
Hong Kong	**145**	369
	75,883	126,384

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Year ended 31 March	
	2008	2007
	HK$'000	*HK$'000*
Tax refund for reinvestment of profits *	**(11,586)**	-
Gain on disposal of scrap materials	**(7,233)**	(3,570)
Bank interest income	**(2,689)**	(1,886)
Interest income from an available-for-sale investment	**(288)**	(257)
Gain on disposal of items of property, plant and equipment	**(1,612)**	(150)
Fair value losses/(gains), net on:		
Other financial assets at fair value through profit or loss	**(1,102)**	-
Derivative financial instruments - transactions not qualifying as hedges	**39,474**	-
Cost of inventories sold	**424,666**	428,561
Depreciation	**37,230**	64,401
Foreign exchange losses, net	**8,082**	4,645

* The People's Republic of China (the "PRC") corporate income tax refund was received by the Group during the year for the reinvestment of profits earned by a subsidiary in Mainland China as capital contribution during the year. There are no unfulfilled conditions or contingencies relating to this tax refund.

5. FINANCE COSTS

	Year ended 31 March	
	2008	2007
	HK$'000	*HK$'000*
Interest on:		
Bank loans wholly repayable within five years	**268**	947
Finance lease and hire purchase contract payables	**3,108**	4,573
Total interest expense on financial liabilities not at fair value through profit or loss	**3,376**	5,520

6. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Year ended 31 March	
	2008	2007
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**7,500**	20,379
Overprovision in prior years	**-**	(2,449)
Current – Elsewhere		
Charge for the year	**7,570**	9,112
Deferred	**8,879**	(6,300)
Total tax charge for the year	**23,949**	20,742

7. DIVIDENDS

	Year ended 31 March	
	2008	2007
	HK$'000	*HK$'000*
Interim – HK4.0 cents (2007: HK4.0 cents) per ordinary share	**19,210**	19,225
Proposed final - Nil (2007: HK3.0 cents) per ordinary share	**-**	14,418
	19,210	33,643

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 March	
	2008	2007
	HK\$'000	*HK\$'000*
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	**67,591**	142,612
	Number of shares	*Number of shares*
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**480,528,829**	478,352,415
Effect of dilution – weighted average number of ordinary shares:		
Share options	**1,447,379**	3,013,112
	481,976,208	481,365,527

9. PROPERTY, PLANT AND EQUIPMENT

	Year ended 31 March	
	2008	2007
	HK$'000	*HK$'000*
Purchase of property, plant and equipment for the year	**75,883**	126,384

10. TRADE DEBTORS

	31 March 2008	31 March 2007
	HK$'000	*HK$'000*
Trade debtors	**69,503**	85,078
Impairment	**(3,000)**	-
	66,503	85,078

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of two months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding debtors to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade debtors relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade debtors are non-interest-bearing.

An aged analysis of the trade debtors as at the balance sheet date, based on the payment due date, is as follows:

	31 March 2008	31 March 2007
	HK$'000	*HK$'000*
Current to 1 month	**53,355**	83,897
1 to 2 months	**6,886**	423
2 to 3 months	**4,539**	35
Over 3 months	**4,723**	723
	69,503	85,078

10. TRADE DEBTORS (continued)

The movements in provision for impairment of trade debtors are as follows:

	31 March 2008	31 March 2007
	HK$'000	*HK$'000*
Impairment losses recognised and at end of the year	**3,000**	-

Included in the above provision for impairment of trade debtors is a provision for an individually impaired trade debtor of HK$3,000,000 with a carrying amount of HK$3,000,000. The individually impaired trade debtor relate to a customer that was in financial difficulties and the amount is not expected to be recovered. The Group does not hold any collateral or other credit enhancements over this balance.

The aged analysis of the trade debtors that are not considered to be impaired is as follows:

	31 March 2008	31 March 2007
	HK$'000	*HK$'000*
Neither past due nor impaired	**47,386**	74,721
Less than 1 month past due	**5,532**	9,176
1 to 2 months past due	**6,774**	423
2 to 3 months past due	**4,260**	35
Over 3 months past due	**2,551**	723
	66,503	85,078

Debtors that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Debtors that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Included in the Group's trade debtors are a receivable of HK$10,020,000 (2007: HK$10,839,000) due from a related party, which is a subsidiary of a substantial shareholder of the Company, arising from trading of printed circuit boards, which is repayable in accordance with the credit terms granted to the related party.

11. TRADE CREDITORS

An aged analysis of the trade creditors as at the balance sheet date, based on the payment due date, is as follows:

	31 March 2008 *HK$'000*	31 March 2007 *HK$'000*
Current to 1 month	**67,302**	56,481
1 to 2 months	**5,866**	4,611
2 to 3 months	**1,600**	666
Over 3 months	**1,303**	586
	76,071	62,344

The trade creditors are non-interest-bearing and are normally settled on 90-day terms.

12. COMMITMENTS

The Group had the following capital commitments at the balance sheet date:

	31 March 2008 *HK$'000*	31 March 2007 *HK$'000*
Capital commitments, contracted but not provided for, in respect of acquisition of items of property, plant and equipment	**7,350**	4,688

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The current year was a challenging year for the Group. The Group's revenue for the current year was about HK$631 million, down 16% from last year. The Group's net profit after tax for the current year was about HK$68 million, down 53% from last year.

The decrease in the Group's revenue was mainly caused by the decrease in sales to some telecommunication product customers but the lion's share of the Group's revenue was still come from the telecommunication product customers. The proportion of sales coming from the telecommunication product customers for the current year and the last year was 64% and 77% respectively. In order to broaden the base of the telecommunication product customers, the Group commenced in last year to develop in the Mainland China more original design manufacturers ("ODM") who required high density inter-connect ("HDI") printed circuit boards ("PCB") to produce mobile phone and the result was encouraging. The sales coming from the ODM increased by almost tenfold in current year.

The Group's PCB average selling price for the current year decreased by 12% as compared to last year but the effect was mitigated by the drop in the percentage of the Group's selling and distribution costs on revenue from 16% in last year to 8% in current year. Because the costs for developing new customers and establishing new business relationship at the initial stage are sometimes high, the Group needs to take such costs into account in determining the PCB selling price for new models. The Group may consider reducing the PCB selling price when the costs required to maintain the business relationship diminish.

The Group's gross profit margin decreased from 43% in last year to 33% in current year. Apart from the decrease in the Group's PCB average selling price as mentioned above, the increase in manufacturing and operating expenses as driven by the continuous appreciation of Renminbi ("RMB") along with the increase in the average purchase price of certain major raw material items such as laminate and precious metals during the current year also reduce the gross profit margin.

In order to mitigate the effect of the foreign exchange losses resulting from the continuous appreciation of RMB, the Group entered into a 1-year non-deliverable and structured foreign exchange forward contract ending on 2 July 2008 to buy RMB at favourable exchange rate if the United States Dollar ("US$") 3-month London Inter-Bank Offer Rate ("3-month LIBOR") stays within a range of certain percentage (the "Prescribed Range"). Otherwise, the Group will buy RMB at unfavourable exchange rate. Due to the unexpected and drastic cut in the US$ interest rate since mid-January 2008, the US$ 3-month LIBOR dropped below the Prescribed Range. As a result, the Group suffered a loss of about HK$38 million from the forward contract as a whole for the current year.

FINANCIAL REVIEW

The total capital expenditure incurred by the Group during the current year was about HK$76 million. They consisted mainly of highly sophisticated production machines acquired for the manufacture of PCB. Bank loan facilities amounting to HK$30 million had been arranged to finance part of these capital expenditure while the balance of these capital expenditure was financed by the Group's internal resources.

The Group's gearing ratios (defined as net debt divided by capital plus net debt) at 31 March 2008 and 31 March 2007 were 12% and 19% respectively while the Group's current ratios at 31 March 2008 and 31 March 2007 were 1.42 times and 1.54 times respectively. The Group's PCB operations generated net cash inflow of about HK$152 million during the current year.

As at 31 March 2008, the Group's interest-bearing bank and other borrowings amounting to HK$31,340,000 (*31 March 2007: HK$75,779,000*) out of which HK$27,150,000 (*31 March 2007: HK$41,293,000*) were repayable within the next 12 months. These borrowings were all denominated in Hong Kong dollars, originally repayable monthly over 3 years (except for the bank borrowings as at 31 March 2008 totaling HK$1,068,000 which were originally repayable within 3 months) and subjected to floating interest rates for all (*31 March 2007: 91%)* of them. The Group has not adopted any interest rate hedging tool for these borrowings. Certain machinery and equipment of the Group with a net book value at 31 March 2008 of HK$79,169,000 (*31 March 2007: HK$109,420,000*) were pledged to secure these borrowings.

As at 31 March 2008, 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$. Also because the Group's subsidiary in Mainland China has net assets as at 31 March 2008 and RMB is expected to appreciate gradually, there is only a remote possibility that the Group will suffer exchange loss on the translation of these net assets and so the Group has not adopted any hedging tool against these net assets denominated in RMB. However, the Group made use of foreign exchange forward contracts during the current year to hedge against part of its operating expenses to be paid in RMB in light of the expected appreciation of RMB.

EMPLOYEE BENEFITS

As at 31 March 2008, the Group had 1,770 (*31 March 2007: 1,505*) employees, including directors, working mainly in Mainland China. For the year ended 31 March 2008, the Group's total staff costs including directors' remuneration were HK$52,415,000 (*2007: HK$48,800,000*).

According to the Group's staff remuneration policy, the remuneration of an employee and the Company's director is determined by the Board and the Company's Remuneration Committee respectively from time to time with reference to his performance and duties, the performance and profitability of his employer and the prevailing market conditions.

The Company operates a share option scheme (the "Scheme") for the purpose of encouraging the eligible participants to perform their best in achieving the goals of the Company and at the same time allowing the eligible participants to enjoy the results of the Company attained through their effort and contribution. Eligible participants of the Scheme include (i) any full-time employees of the Company or any of its subsidiaries or associated companies; (ii) any directors (whether executive directors, non-executive directors or independent non-executive directors) of the Company or any of its subsidiaries or associated companies; and (iii) any consultants, technical, financial, legal or other professional advisers engaged by the Company or any of its subsidiaries or associated companies, provided that the Company's board of directors or a duly authorised committee may have absolute discretion to determine whether one falls within the categories. The Scheme became effective on 28 August 2003 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

OUTLOOK

The telecommunication service providers in the Mainland China have begun to provide the third generation (“3G”) telecommunication services in the number of cities. Although the 3G telecommunication services may take some time to become popular, it is generally expected that more 3G mobile phones will be launched soon in the Mainland China and the demand for HDI PCB will be stimulated accordingly. The Group will benefit because it has strong track record of selling HDI PCB to not only world-renowned telecommunication products customers but also Mainland China ODM of mobile phone.

The product applications of HDI PCB are not merely restricted to mobile phone. The Group has succeeded in obtaining sales orders for HDI PCB from a famous Japanese digital camera manufacturer since December 2007. Through the strategic alliance with Daisho Denshi Co., Ltd. (one of the top manufacturers of highly delicate PCB in Japan and one of the Company’s substantial shareholders), more Japanese customers requiring quality and highly delicate PCB will be introduced to the Group.

In order to further broaden its customer base, the Group developed market in Germany in last year and begin to bear fruit in 2008. Possessed with proven experience in manufacturing quality PCB for a famous Japanese automobile customer, the Group will soon obtain PCB sales orders from a Germany manufacturer of parts for world-renowned automobiles.

The Group is aware that certain significant economic issues such as the worldwide inflationary pressure and the continuous appreciation of RMB etc. may affect the operating environment of the Group and it has adopted various means to alleviate the impact. Although the road ahead may be full of challenges, the Group is capable of confronting them in view of its healthy financial position and strong cash inflow from the PCB operations.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2008 (2007: HK3.0 cents per share).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 10 September 2008 to 12 September 2008, both days inclusive, during which period no transfer of shares will be registered. 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, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 9 September 2008.

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 2008, except for the following deviations:

Board meeting

According to the Code Provision A.1.1, regular board meetings should be held at least four times a year at approximately quarterly intervals.

There were only three regular board meetings held during the year ended 31 March 2008 because the board meeting originally scheduled to be held in late March 2008 was called off unexpectedly due to the urgent affairs of some executive directors.

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.

The independent non-executive directors of the Company do 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.

The Company is subject to a 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.

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

During the year, the Company repurchased 370,000 (2007: Nil) ordinary shares of HK$0.10 each of the Company on the Stock Exchange as follows:

Month	Number of shares	Price per share Highest	Price per share Lowest	Aggregated consideration paid
		HK$	HK$	HK$
January 2008	370,000	1.60	1.55	584,760

The repurchased shares were cancelled and the issued share capital of the Company was reduced by the par value thereof. The premium paid on the repurchase of the shares of HK547,760 (2007: Nil) was charged to the share premium account.

The repurchase of the Company's shares during the year was effected by the directors, pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Save as disclosed herein, neither the Company, nor any of its subsidiaries purchased, sold or redeemed 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 2008 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 ERNST & YOUNG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2008 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young 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 Ernst & Young on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The Company's Annual Report for the year ended 31 March 2008 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, 21 July 2008

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