

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the Group may record a net loss for the year ended 31 March 2012 in contrast with the net profit of about HK\$17 million for the corresponding year ended 31 March 2011.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Daisho Microline Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that based on the Group’s latest unaudited management accounts for the eleven months ended 29 February 2012 and an estimation of the Group’s unaudited results for the month of March 2012, the Group may record a net loss for the year ended 31 March 2012 (the “**Current Year**”) in contrast with the net profit of about HK\$17 million for the corresponding year ended 31 March 2011 (the “**Last Year**”) mainly as a result of the following factors.

- (i) The reduction in the sales orders for printed circuit boards especially during the first half of the Current Year mainly due to the credit austerity measures in the People’s Republic of China (the “**PRC**”) and the worse off of the Europe’s sovereign debt crisis.
- (ii) The increase in the raw material costs especially during the first half of the Current Year due to the jump in the prices of non-ferrous metals such as copper and gold etc. and the worldwide inflation.
- (iii) The increase in the production overheads especially during the first half of the Current Year due to the appreciation of the Renminbi currency and the rise of the minimum wages level in the PRC.
- (iv) There were fair value losses on listed equity investments and equity contracts for the Current Year (Last Year: fair value gains of approximately HK\$10 million) due to the decline of the Hong Kong stock market.
- (v) The possibility of an impairment loss on the Group’s property, plant and equipment as at 31 March 2012 as the present value of the future cash flows expected to be derived from the Group’s property, plant and equipment based on their existing use may be less than their related carrying value as at 31 March 2012.

However, the Board noted that the operating performance of the Group in the second half of the Current Year had improved as compared to the first half of the Current Year mainly due to the implementation of various cost-cutting measures and the improvement in operating environment.

As the Company is yet to finalize the results of the Group for the year ended 31 March 2012, the information contained in this announcement is a preliminary estimate given by the management of the Company and is not based on any figures nor information that has been audited or reviewed by the Company's auditors.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 10 April 2012

As at the date of this announcement, the Board consists of four executive directors, namely, CHAN Sik Ming Harry, Hiroto SASAKI, Hiroyuki KIKUCHI and AU-YEUNG Wai Hung, and three independent non-executive directors, namely, CHAN Yuk Tong, LI Chi Kwong and YEUNG Chi Shing Bret.