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DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

PROFIT ALERT

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 profit for the year ended 31 March 2011 in contrast with the net loss of about HK\$24 million for the year ended 31 March 2010. However, the Group may record a net loss for the 6 months ended 31 March 2011, which may reduce its net profit of about HK\$19 million for the 6 months ended 30 September 2010 as set out in the interim report of the Company.

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 of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group may record a net profit for the year ended 31 March 2011 in contrast with the net loss of about HK\$24 million for the year ended 31 March 2010 mainly due to the absence of the once-off impairment loss on machinery and equipment amounting to HK\$65 million as recorded in the last corresponding year. Resulting from the increase in raw material costs and production overheads mainly attributable to the continuous inflation and appreciation of Renminbi, the Group may record a net loss for the 6 months ended 31 March 2011, which may reduce its net profit of about HK\$19 million for the 6 months ended 30 September 2010 as set out in the interim report of the Company.

As the Company is still in the process of finalizing the results of the Group for the year ended 31 March 2011, 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, 9 June 2011

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