DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board (the "Board") of directors (the "Directors") of Daisho Microline Holdings Limited (the "Company", together with its subsidiaries the "Group") announces the preliminary consolidated results of the Group for the year ended 31 March 2024 (the "Year") together with the comparative figures of the previous corresponding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2024

	Note	**2024** **HK$'000**	2023 *HK$'000*
Revenue	*3*	**85,584**	83,758
Cost of sales		**(67,863)**	(67,758)
Gross profit		**17,721**	16,000
Other income	*5*	**3,483**	4,305
Selling and distribution expenses		**(4,014)**	(4,718)
Administrative expenses		**(27,525)**	(26,754)
Other operating expenses		**(21)**	(112)
(Provision for) Reversal of impairment loss on trade receivables, net	*10(b)*	**(234)**	248
Impairment loss on loan to a joint venture	*9*	**(1,093)**	–
Impairment loss on other receivables		**–**	(937)
Loss on de-consolidation of a subsidiary	*13(a)*	**–**	(16,214)
Gain on deregistration of subsidiaries	*13(b)*	**–**	2,101
Share of results of a joint venture	*9*	**(158)**	479
Finance costs	*6*	**(32)**	(266)

	Note	2024 HK$'000	2023 HK$'000
Loss before taxation	*6*	**(11,873)**	(25,868)
Income tax expense	*7*	**–**	(149)
Loss for the year		**(11,873)**	(26,017)
Loss per share			
Basic (Hong Kong cents)	*8*	**(0.74)**	(1.61)
Diluted (Hong Kong cents)	*8*	**(0.74)**	(1.61)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2024

	Note	2024 HK$'000	2023 HK$'000
Loss for the year		**(11,873)**	(26,017)
Other comprehensive (loss) income:			
Item that will not be reclassified to profit or loss:			
Change in fair value of other long-term investments		**–**	3,969
Items that may be/have been reclassified subsequently to profit or loss:			
Exchange difference on translation of functional currency to presentation currency		**(228)**	(2,418)
Release of exchange translation reserve upon deregistration of subsidiaries	*13(b)*	**–**	(2,281)
Total other comprehensive loss for the year		**(228)**	(730)
Total comprehensive loss for the year		**(12,101)**	(26,747)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Note	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment		**27,565**	28,816
Intangible assets		**103**	411
Interests in a joint venture	9	**19,228**	20,479
Deferred tax assets		**–**	224
		46,896	49,930
Current assets			
Inventories		**6,058**	13,112
Trade and bills receivables	10	**24,836**	14,987
Other receivables, deposits and prepayments		**9,428**	16,968
Tax recoverable		**286**	–
Cash and cash equivalents		**37,605**	49,606
		78,213	94,673
Current liabilities			
Trade payables	11	**16,342**	22,272
Other payables and accruals		**14,703**	15,229
Lease liabilities		**237**	748
Tax payable		**–**	127
		31,282	38,376
Net current assets		**46,931**	56,297
Total assets less current liabilities		**93,827**	106,227
Non-current liabilities			
Lease liabilities		**–**	237
Deferred tax liabilities		**14**	76
		14	313
NET ASSETS		**93,813**	105,914
Capital and reserves			
Share capital	12	**161,328**	161,328
Reserves		**(67,515)**	(55,414)
TOTAL EQUITY		**93,813**	105,914

NOTES

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The measurement basis used in the preparation of the consolidated financial statements is historical cost.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as detailed in Note 2.

2. ADOPTION OF NEW/REVISED HKFRSs

In the current year, the Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The adoption of those new/revised HKFRSs does not have any significant impact on the Group's consolidated financial statements for current and prior periods.

3. REVENUE

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers within HKFRS 15		
Manufacturing and trading of printed circuit boards	**26,548**	30,801
Manufacturing and trading of printing and packaging products	**59,036**	52,957
	85,584	83,758

3. **REVENUE (CONTINUED)**

In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

Year ended 31 March 2024	**Manufacturing and trading of printed circuit boards** *HK$'000*	**Manufacturing and trading of printing and packaging products** *HK$'000*	**Total** *HK$'000*
Geographical region:			
– Hong Kong	**3,992**	**53,384**	**57,376**
– Europe	**14,895**	**4,689**	**19,584**
– The People's Republic of China (the "PRC")	**5,388**	**963**	**6,351**
– South Korea	**1,481**	**–**	**1,481**
– North America	**637**	**–**	**637**
– Other countries	**155**	**–**	**155**
	26,548	**59,036**	**85,584**
Timing of revenue recognition:			
– at a point in time	**26,548**	**59,036**	**85,584**
Type of transaction price:			
– fixed price	**26,548**	**59,036**	**85,584**

Year ended 31 March 2023	Manufacturing and trading of printed circuit boards *HK$'000*	Manufacturing and trading of printing and packaging products *HK$'000*	Total *HK$'000*
Geographical region:			
– Hong Kong	3,197	42,857	46,054
– Europe	4,020	7,906	11,926
– The PRC	8,079	2,194	10,273
– South Korea	2,235	–	2,235
– North America	12,979	–	12,979
– Other countries	291	–	291
	30,801	52,957	83,758
Timing of revenue recognition:			
– at a point in time	30,801	52,957	83,758
Type of transaction price:			
– fixed price	30,801	52,957	83,758

4. SEGMENT INFORMATION

The directors of the Company have been identified as the chief operating decision makers to evaluate the performance of operating segments and to allocate resources to those segments. Based on risks and returns and the Group's internal financial reporting, the Directors of the Company consider that the operating segments of the Group comprise:

(i) Manufacturing and trading of printed circuit boards;

(ii) Trading of petroleum and energy products and related business;

(iii) Manufacturing and trading of printing and packaging products; and

(iv) Investments in funds.

Segment results represent the results before taxation earned by each segment without allocation of certain other income generated, certain administrative expenses and other operating expenses incurred by the corporate office, loss on de-consolidation of a subsidiary, gain on deregistration of subsidiaries and finance costs.

All assets are allocated to reportable segments other than unallocated assets which are mainly cash and cash equivalents and other corporate assets. All liabilities are allocated to reportable segments other than other corporate liabilities.

In determining the Group's geographical segments, revenue is attributed to the segments based on the location of customers; assets and capital expenditure are attributed to the segments based on the locations of the assets.

4. SEGMENT INFORMATION (CONTINUED)

(A) By Business Segments

Year ended 31 March 2024

	Manufacturing and trading of printed circuit boards *HK$'000*	Trading of petroleum and energy products and related business *HK$'000*	Manufacturing and trading of printing and packaging products *HK$'000*	Investments in funds *HK$'000*	Consolidated *HK$'000*
Segment revenue					
Major customer A	–	–	35,229	–	35,229
Major customer B	15,532	–	–	–	15,532
Other customers	11,016	–	23,807	–	34,823
	26,548	–	59,036	–	85,584
Segment results	(2,887)	–	2,142	(1,251)	(1,996)
Unallocated other income					349
Unallocated administrative expenses					(10,194)
Finance costs					(32)
Loss before taxation					(11,873)
Income tax expense					–
Loss for the year					(11,873)

4. SEGMENT INFORMATION (CONTINUED)

(A) By Business Segments (Continued)

Year ended 31 March 2023

	Manufacturing and trading of printed circuit boards *HK$'000*	Trading of petroleum and energy products and related business *HK$'000*	Manufacturing and trading of printing and packaging products *HK$'000*	Investments in funds *HK$'000*	Consolidated *HK$'000*
Segment revenue					
Major customer A	–	–	24,428	–	24,428
Major customer B	12,979	–	–	–	12,979
Other customers	17,822	–	28,529	–	46,351
	30,801	–	52,957	–	83,758
Segment results	(115)	(79)	(832)	479	(547)
Unallocated other income					94
Unallocated administrative expenses					(11,009)
Unallocated other operating expenses					(27)
Loss on de-consolidation of a subsidiary					(16,214)
Gain on deregistration of subsidiaries					2,101
Finance costs					(266)
Loss before taxation					(25,868)
Income tax expense					(149)
Loss for the year					(26,017)

4. SEGMENT INFORMATION (CONTINUED)

(A) By Business Segments (Continued)

An analysis of the Group's assets and liabilities by operating segments is set out below:

At 31 March 2024

	Manufacturing and trading of printed circuit boards *HK$'000*	Trading of petroleum and energy products and related business *HK$'000*	Manufacturing and trading of printing and packaging products *HK$'000*	Investments in funds *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Segment assets	16,914	3,488	83,745	19,228	1,734	125,109
Segment liabilities	13,217	282	16,810	–	987	31,296
Other segment information:						
Amortisation of intangible assets	–	–	(308)	–	–	(308)
Depreciation	–	–	(3,605)	–	(683)	(4,288)
Impairment loss on loan to a joint venture	–	–	–	(1,093)	–	(1,093)
Impairment loss on trade receivables, net	(33)	–	(201)	–	–	(234)
Gain on disposal of property, plant and equipment, net	–	–	5	–	–	5
Write-off of property, plant and equipment	–	–	(21)	–	–	(21)
Share of results of a joint venture	–	–	–	(158)	–	(158)
Additions to property, plant and equipment (including right-of-use assets)	–	–	3,256	–	–	3,256

4. SEGMENT INFORMATION (CONTINUED)

(A) By Business Segments (Continued)

At 31 March 2023

	Manufacturing and trading of printed circuit boards *HK$'000*	Trading of petroleum and energy products and related business *HK$'000*	Manufacturing and trading of printing and packaging products *HK$'000*	Investments in funds *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Segment assets	25,514	3,488	81,267	20,479	13,855	144,603
Segment liabilities	17,504	282	19,139	–	1,764	38,689
Other segment information:						
Amortisation of intangible assets	–	–	(308)	–	–	(308)
Depreciation	(1,206)	(37)	(3,373)	–	(716)	(5,332)
Loss on de-consolidation of a subsidiary	–	–	–	–	(16,214)	(16,214)
Gain on deregistration of subsidiaries	–	–	–	–	2,101	2,101
Impairment loss on other receivables	(937)	–	–	–	–	(937)
(Provision for) Reversal of impairment loss on trade receivables, net	(83)	–	331	–	–	248
Loss on disposal of property, plant and equipment, net	–	(20)	(65)	–	(2)	(87)
Share of results of a joint venture	–	–	–	479	–	479
Additions to property, plant and equipment (including right-of-use assets)	–	–	668	–	1,368	2,036

4. **SEGMENT INFORMATION (CONTINUED)**

(B) Geographical Information

(i) Revenue form external customers

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**57,376**	46,054
Europe	**19,584**	11,926
The PRC	**6,351**	10,273
South Korea	**1,481**	2,235
North America	**637**	12,979
Other countries	**155**	291
	85,584	83,758

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

(ii) Non-current assets

	2024	2023
	HK$'000	*HK$'000*
The PRC	**26,749**	27,124
Hong Kong	**919**	2,103
	27,668	29,227

The non-current assets information above is based on the locations of assets and excluded interests in a joint venture and deferred tax assets.

5. **OTHER INCOME**

	2024	2023
	HK$'000	*HK$'000*
Interest income	**250**	176
Exchange gain, net	**564**	749
Rental income	**1,985**	2,073
Government subsidies *(Note)*	**220**	431
Sales of scrap materials	**393**	567
Gain on disposal of property, plant and equipment, net	**5**	–
Others	**66**	309
	3,483	4,305

Note: In the opinion of the Directors of the Company, there was no unfulfilled condition or contingency relating to the government subsidies.

6. LOSS BEFORE TAXATION

This is stated after charging (crediting):

	2024	2023
	HK$'000	*HK$'000*
Finance costs		
Interest on other borrowings	**–**	216
Interest on lease liabilities	**32**	50
	32	266

	2024	2023
	HK$'000	*HK$'000*
Staff costs (excluding Directors' emoluments)		
Salaries, allowances and benefits-in-kind	**24,585**	28,769
Contribution to defined contribution plans *(Note (i))*	**2,103**	2,597
	26,688	31,366
Other items		
Auditor's remuneration		
– Audit services	**1,100**	1,280
– Non-audit services	**310**	210
Amortisation of intangible assets (included in administrative expenses)	**308**	308
Cost of inventories *(Note (ii))*	**67,863**	67,758
Depreciation	**4,288**	5,332
Exchange gain, net	**(564)**	(749)
(Gain) Loss on disposal of property, plant and equipment, net	**(5)**	87
Write-off of property, plant and equipment	**21**	–
Other rental and related expenses	**569**	389

Notes:

(i) For the years ended 31 March 2024 and 2023, there were no forfeited contributions which were available to reduce the Group's existing level of contributions to the relevant defined contribution retirement scheme in Hong Kong and the PRC.

(ii) Cost of inventories includes approximately HK$17,386,000 *(2023: HK$22,728,000)* relating to aggregate amount of certain staff costs, depreciation and other rental and related expenses, which are included in the respective total amounts disclosed separately above.

7. INCOME TAX

	2024	2023
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax		
Current year	**–**	314
Over-provision in prior years	**(166)**	(95)
	(166)	219
Singapore corporate income tax ("Singapore CIT")		
Current year	**10**	–
	(156)	219
Deferred tax	**156**	(70)
Total income tax expense	**–**	149

For the years ended 31 March 2024 and 2023, PRC Enterprise Income Tax ("PRC EIT") has not been provided as (i) certain Group's entities in the PRC incurred a loss for taxation purposes and (ii) the Group's estimated assessable profits for the years were wholly absorbed by unrelieved tax losses brought forward from previous years.

For the year ended 31 March 2024, Hong Kong Profits Tax has not been provided as the Group's entities in Hong Kong incurred a loss for taxation purpose. For the year ended 31 March 2023, the assessable profits of Hong Kong incorporated subsidiaries of the Group are entitled to the two-tiered profits tax rates regime that the first HK$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The assessable profits of corporations in the Group not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Singapore CIT is calculated at 17% of the estimated assessable profits with no CIT rebate for the year ended 31 March 2024. Singapore incorporated company can also enjoy 75% tax exemption on the first SG$10,000 of normal chargeable income and a further 50% tax exemption on the next SG$190,000 of normal chargeable income during the year ended 31 March 2024. For the year ended 31 March 2023, Singapore CIT has not been provided as the Group's entities in Singapore had no assessable profits for the year.

8. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2024	2023
	HK$'000	*HK$'000*
Loss:		
Loss attributable to the owners of the Company, used in basic loss per share calculation	**(11,873)**	(26,017)

	2024	2023
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**1,613,287,570**	1,613,287,570

During the years ended 31 March 2024 and 2023, there were no potential dilutive ordinary shares in issue.

The diluted loss per share is the same as the basic loss per share for the years ended 31 March 2024 and 2023.

9. INTERESTS IN A JOINT VENTURE

	2024	2023
	HK$'000	*HK$'000*
Unlisted shares, at cost	**156**	156
Share of results	**321**	479
	477	635
Loan to a joint venture *(Note)*	**18,751**	19,844
	19,228	20,479

Note:

Loan to a joint venture carries a fixed interest rate of 1% per annum and is unsecured and repayable on 28 July 2025.

ECL assessment on loan to a joint venture

The movements on the loss allowance on loan to a joint venture during the year is summarised below.

	2024	2023
	HK$'000	*HK$'000*
At the beginning of the reporting period	**–**	–
Increase in loss allowance	**1,093**	–
At the end of the reporting period	**1,093**	–

No significant increase in credit risk was identified since the initial recognition of loan to a joint venture. Due to the change in credit quality since the investment was made, an impairment loss of approximately HK$1,093,000 *(2023: Nil)* on loan to a joint venture was recognised during the year ended 31 March 2024.

9. INTERESTS IN A JOINT VENTURE (CONTINUED)

Details of the joint venture are as follows:

Name of the joint venture	Place of in corporation/business	Particulars of registered and paid-up share capital	Proportion of value of registered and paid-up share capital indirectly held by the Company	Principal activities
Noricap Fund G.P. Limited ("Noricap Fund")	The Cayman Islands/ Hong Kong	United States dollars ("US$") 50,000	40% *(2023: 40%)*	Investment holdings and subscription and management of special purpose fund ("SP Fund") which is yet to commence

The above joint venture is accounted for using the equity method in the Group's consolidated financial statements. There are no capital commitment and contingent liabilities in relation to the joint venture itself.

On 13 July 2022, an indirectly wholly-owned subsidiary of the Company, Digital Mind Investments Limited ("Digital Mind") has entered into a joint venture arrangement agreement (the "JV Arrangement Agreement") with LBG Equity Investments (HK) Co., Limited ("LBG"), a company incorporated in Hong Kong, pursuant to which, among others, (i) Digital Mind and LBG will subscribe for 40% and 60% of equity interests in Noricap Fund at a consideration of approximately US$20,000 (equivalent to approximately HK$156,000) and approximately US$30,000 (equivalent to HK$234,000), respectively and (ii) Digital Mind and LBG shall provide to Noricap Fund financing in proportion to their respective shareholding in Noricap Fund in the principal amount of approximately HK$19,844,000 and HK$29,766,000, respectively, which carry a fixed interest rate of 1% per annum and are unsecured and are repayable after 3 years from commencing of the loan. The subscription of Noricap Fund was completed on 13 September 2022.

Arrangements with joint venture partner

Pursuant to the JV Arrangement Agreement, each of Digital Mind and LBG is entitled to appoint 1 out of 2 board members of Noricap Fund and the key strategic financial and operating decisions in relation to Noricap Fund's operation require the unanimous consent of all board members. In the opinion of the directors of the Company, these key decisions related to the activities that significantly affect the returns of Noricap Fund. Accordingly, neither Digital Mind nor LBG has the ability to control Noricap Fund unilaterally and Noricap Fund is therefore considered as jointly controlled by Digital Mind and LBG. As the Group has rights to the net assets of the joint arrangement, Noricap Fund is accounted for as a joint venture of the Group.

Relationship with the joint venture

Noricap Fund is engaged in investment holdings and subscription and management of SP Fund which presents an investment opportunity to maximise return on the Group's funds by making investments in emerging sectors and diversify the income stream and business risks.

9. INTERESTS IN A JOINT VENTURE (CONTINUED)

Financial information of an individual material joint venture

Summarised financial information of the joint venture of the Group, which is considered to be material, is set out below, which represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

	2024	2023
	HK$'000	*HK$'000*
At 31 March:		
Summarised statement of financial position		
Current assets *(Remark)*	**20,973**	1,387
Non-current assets	**–**	20,265
Current liabilities	**(134)**	(220)
Non-current liabilities	**(19,844)**	(19,844)
Net assets	**995**	1,588
Included in above:		
Cash and cash equivalents *(Remark)*	**–**	799
Current financial liabilities (excluding trade and other payables and provisions)	**–**	–
Non-current financial liabilities (excluding trade and other payables and provisions)	**(19,844)**	(19,844)
Reconciliation:		
Gross amount of net assets of the joint venture	**995**	1,588
Group's ownership interests	**40%**	40%
Group's voting rights	**50%**	50%
Group's share of net assets of the joint venture	**398**	635
Elimination of gains or losses for transactions between the Group and the joint venture	**79**	–
Carrying amount of the Group's interests in the joint venture	**477**	635

Remark:

A debtor of Noricap Fund has repaid an amount of approximately HK$20,265,000 to Noricap Fund in June 2024.

9. INTERESTS IN A JOINT VENTURE (CONTINUED)

Financial information of an individual material joint venture (Continued)

	2024	2023
	HK$'000	*HK$'000*
For the year ended 31 March (or since subscription):		
Summarised statement of profit or loss and other comprehensive income		
Revenue	**–**	–
Other income	**–**	1,509
(Loss) Profit for the year/period	**(593)**	1,197
Total comprehensive (loss) income	**(593)**	1,197
Included in above:		
Interest income	**–**	1,041
Interest expense	**119**	134

10. TRADE AND BILLS RECEIVABLES

		2024	2023
	Note	***HK$'000***	*HK$'000*
Trade receivables from third parties	*10(a)*	**25,394**	14,939
Less: Loss allowance	*10(b)*	**(588)**	(361)
	10(a)	**24,806**	14,578
Bills receivables	*10(c)*	**30**	409
		24,836	14,987

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

10(a) Trade receivables

Included in the balances are the trade receivables (before loss allowance) from contracts with customers within HKFRS 15:

	2024	2023
	HK$'000	*HK$'000*
At the beginning of the reporting period	**14,939**	36,021
At the end of the reporting period	**25,394**	14,939

The Group's business with its trade debtors is mainly on credit basis and the credit period is ranging from 30 to 120 days *(2023: 30 to 120 days)*. At the end of the reporting period, the ageing analysis of trade receivables (before loss allowance) by delivery date is as follows:

	2024	2023
	HK$'000	*HK$'000*
Less than 1 month	**14,544**	3,758
1 to 2 months	**750**	3,007
2 to 3 months	**5,656**	3,416
Over 3 months	**4,444**	4,758
	25,394	14,939

At the end of the reporting period, the ageing analysis of trade receivables (net of loss allowance) by due date is as follows:

	2024	2023
	HK$'000	*HK$'000*
Not past due	**20,398**	9,972
Less than 1 month past due	**3,044**	2,085
1 to 2 months past due	**1,214**	1,458
2 to 3 months past due	**–**	54
Over 3 months past due	**150**	1,009
	24,806	14,578

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

10(b) Loss allowance

The movement in the loss allowance for trade receivables during the year is summarised as below:

	2024	2023
	HK$'000	*HK$'000*
At the beginning of the reporting period	**361**	6,211
Amount recovered	**–**	(331)
Increase in allowance	**234**	83
De-consolidation of a subsidiary	**–**	(5,302)
Exchange realignment	**(7)**	(300)
At the end of the reporting period	**588**	361

During the year ended 31 March 2024, the increase in loss allowance on trade receivables was mainly due to the increase in gross balances of the trade receivables.

During the year ended 31 March 2023, the significant changes in loss allowance on trade receivables were due to the changes in past due trade receivables and long overdue trade receivables which have been derecognised as a result of the de-consolidation of a subsidiary as detailed in Note 13(a) to this announcement.

10(c) Bills receivables

At 31 March 2024 and 2023, all bills receivables are interest-free and guaranteed by banks in the PRC and have maturities of less than six months.

11. TRADE PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables to third parties	**16,342**	22,272

The trade payables are non-interest bearing and the Group is normally granted with a credit term ranging from 30 to 90 days *(2023: 30 to 90 days)*.

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

	2024	2023
	HK$'000	*HK$'000*
Less than 1 month	**3,948**	4,242
1 to 2 months	**3,566**	4,965
2 to 3 months	**5,589**	3,437
Over 3 months	**3,239**	9,628
	16,342	22,272

12. SHARE CAPITAL

	2024		2023	
	No. of shares	***HK$'000***	*No. of shares*	*HK$'000*
Ordinary share of HK$0.1 each				
Authorised:				
At the beginning of the reporting period	**2,000,000,000**	**200,000**	2,000,000,000	200,000
Increase *(Note)*	**2,000,000,000**	**200,000**	–	–
At the end of the reporting period	**4,000,000,000**	**400,000**	2,000,000,000	200,000
Issued and fully paid:				
At the beginning of the reporting period and **at the end of the reporting period**	**1,613,287,570**	**161,328**	1,613,287,570	161,328

Note:

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 22 September 2023, the authorised share capital of the Company was increased by HK$200,000,000 by creating an additional 2,000,000,000 new ordinary shares of HK$0.1 each.

13. LOSS ON DE-CONSOLIDATION AND GAIN ON DEREGISTRATION OF SUBSIDIARIES

(a) De-consolidation of Daisho Microline Limited ("DML")

DML, an indirectly wholly owned subsidiary of the Company, received a winding-up petition dated 12 January 2022 filed by a creditor, Tak Shing Investment Company Limited as petitioner against DML in the Court of First Instance of Hong Kong in the sum of approximately HK$418,000. The winding-up petition was heard on 29 June 2022.

DML received a sealed order dated 29 June 2022 for winding-up (the "Winding-up Order") made by the Court of First Instance of Hong Kong, pursuant to which DML was ordered to be wound up on the basis of its failure to settle the judgement debt in the sum of approximately HK$418,000. Messrs Lai Kar Yan (Derek) and Kam Chung Hang (Forrest), both of Deloitte Touche Tohmatsu were appointed as joint and several liquidators of DML on 26 August 2022 made by the Court of First Instance of Hong Kong. By virtue of the Winding-up Order, DML ceased to be controlled by the Company with effect from 29 June 2022. Accordingly, the Group has de-consolidated DML on 29 June 2022 and loss on de-consolidation of a subsidiary of approximately HK$16,214,000 was charged to profit or loss during the year ended 31 March 2023.

Details of the Winding-up Order are disclosed in the Company's announcements dated 21 January 2022, 19 May 2022 and 15 July 2022.

Details of loss on de-consolidation of DML are summarised as follows:

	HK$'000
Property, plant and equipment	**9,904**
Trade receivables, net	**10,138**
Other receivables, deposits and prepayments	**8,815**
Cash and cash equivalent	**68**
Other payables and accruals	**(4,235)**
Interest-bearing borrowings	**(8,476)**
Net assets of DML at the date of de-consolidation and loss on de-consolidation of DML	**16,214**
Net cash outflow arising from de-consolidation of DML	**68**

13. LOSS ON DE-CONSOLIDATION AND GAIN ON DEREGISTRATION OF SUBSIDIARIES (CONTINUED)

(b) Deregistration of subsidiaries

During the year ended 31 March 2023, subsidiaries of the Group including PE28 Pte. Ltd, PE138 Pte. Ltd, PE Trading Pte. Ltd, Pacific Dragon Trading Pte. Ltd and Oriental Ship Management Pte. Ltd which are incorporated in Singapore (collectively referred to as the "Singapore Subsidiaries") have been deregistered. Upon the deregistration, a gain on deregistration of Singapore Subsidiaries of approximately HK$2,101,000 has been recognised in profit or loss during the year ended 31 March 2023.

Details of gain on deregistration of Singapore Subsidiaries are summarised as follows:

	HK$'000
Deferred tax assets	193
Other payables and accruals	(13)
Aggregate net assets of Singapore Subsidiaries at the date of deregistration	180
Release of exchange translation reserve upon deregistration of subsidiaries	(2,281)
Gain on deregistration of Singapore Subsidiaries	(2,101)
Net cash outflow arising from deregistration of Singapore Subsidiaries	–

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions information disclosed elsewhere in this announcement, the Group had the following transactions with related parties:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, representing amounts paid to the Company's Directors and senior executives, is as follows:

	2024 ***HK$'000***	2023 *HK$'000*
Salaries, allowances and benefits-in-kind	**5,293**	4,848
Contribution to defined contribution plans	**130**	107
	5,423	4,955

The remuneration was based on the terms mutually agreed between the Group and the related parties.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

(b) Related party transactions

During the years ended 31 March 2024 and 2023, the Group had the following material transactions with related parties. In the opinion of the management of the Group, they are under normal commercial terms that are fair and reasonable and in the best interests of the Group:

	2024	2023
	HK$'000	*HK$'000*
Rental and related expenses paid to a company controlled by a substantial shareholder	**929**	1,020

In the opinion of the Directors, these related party transactions were conducted in the ordinary course of business of the Group.

15. LITIGATIONS

(a) Litigation with Societe Generale

On 17 September 2019, the Group received an amended writ of summons (the "Writ") issued by Societe Generale, Singapore Branch (the "Plaintiff") in which, among others, Pacific Dragon (Hong Kong) Energy Limited ("Pacific Dragon") and DML, two then wholly-owned subsidiaries of the Company, have been joined as additional defendants to the proceedings of the High Court (case number: HCA 1617/2019) which were originally issued against, among others, (1) Ms. Cheung, an ex-director of the Company who resigned on 4 September 2019 and an ex-shareholder of the Company holding approximately 20.84% interest in the Company on trust for her family until she ceased to hold any of the interest on trust for her family on 14 August 2019, and (2) Inter-Pacific Petroleum Pte Ltd ("Inter-Pacific Petroleum"), a wholly owned subsidiary of Inter-Pacific Group. Pursuant to the Writ, the Plaintiff claims, among other things, against Inter-Pacific Petroleum for payment for breach of certain trade finance facilities granted to Inter-Pacific Petroleum in the outstanding sum at 28 August 2019 of approximately US$89,849,000.

In connection with the Writ, the Plaintiff obtained an injunction order against, among others, Pacific Dragon and DML, pursuant to which (1) Pacific Dragon is restricted from disposing of or dealing with the sum of approximately US$24,963,000 paid into its bank account during the period from 1 June 2019 to 31 August 2019 and any of its assets whether within or outside Hong Kong up to the same value; and (2) DML is restricted from disposing of or dealing with the sum of approximately US$6,653,000 paid into its bank account during the period from 1 June 2019 to 31 August 2019 and any of its assets whether within or outside Hong Kong up to the same value. The injunction order was continued on the return hearing held on 20 September 2019. The hearing has been adjourned to be heard on 5 February 2020. The above details have been disclosed in the Company's announcements dated 4 September 2019, 18 September 2019 and 29 October 2019 respectively.

On 22 June 2020, the hearing was held and the judgement handed down on 10 July 2020. According to the decision of the Court dated 10 July 2020, the aggregate amount injuncted against Pacific Dragon and DML should be reduced to approximately HK$10,229,000 and the injunction is permitted to be discharged if the same amount injuncted is paid into the Court. Pacific Dragon and DML were also awarded costs to be paid by the Plaintiff.

DML and Pacific Dragon have paid the injuncted amounts of approximately HK$6,783,000 and HK$3,446,000 to the Court in November 2020 and in April 2023, respectively. Accordingly, the injunction order was discharged against DML and Pacific Dragon by order of the Court.

On 29 June 2022, DML ceased to be subsidiary of the Group under the Winding-up Order and the injuncted amount of approximately HK$6,783,000 paid by DML was derecognised upon de-consolidation of DML as detailed in Note 13(a) to this announcement.

Save as disclosed above, there is no further update for the above litigation up to the date of this announcement.

With reference to the opinion of the Group's lawyer, the directors of the Company are of view that the Group has a reasonable ground of defense.

15. LITIGATIONS (CONTINUED)

(b) Litigation with Inter-Pacific Group

In November 2019, the Group instructed its lawyer to issue a legal letter to Inter-Pacific Group, demanding Inter-Pacific Group to return the deposit of HK$14,574,000 to the Group which had paid to Inter-Pacific Group for the acquisition of the two of the four vessels, namely Pacific Energy 8 and Pacific Energy 168, pursuant to the sale and purchase agreement dated 29 September 2017 (the "SPA").

Pursuant to the SPA, the third consideration would be satisfied by the Group in the following manner: (i) on the date the SPA, a cash payment of HK$14,574,000 (the "Third Deposit"); (ii) at third completion, a cash payment of HK$10,151,000 and the balance of the remaining third consideration, equivalent to HK$72,435,000, will be settled by the Group issuing to Inter-Pacific Group (or its designated nominee) the promissory note in the principal amount of HK$72,435,000.

In the event that the conditions specified in the SPA are not fulfilled or waived on or before 30 September 2019, the Third Deposit shall be returned by Inter-Pacific Group to the Group (or such persons as it may direct), without interest, in immediately available funds within five business days from the 30 September 2019. As the conditions precedent of the SPA with respect to the acquisition of Pacific Energy 8 and Pacific Energy 168 have not been fulfilled, in particular, Mortgage 8 and Mortgage 168 (as defined in the Company's circular dated 27 December 2017) have not been discharged in full by 30 September 2019 and the SPA had been terminated accordingly. Inter-Pacific Group had to fulfill its obligation to return the Third Deposit to the Group by the prescribed deadline.

Therefore, the Group issued a legal letter to demand Inter-Pacific Group to make an immediate repayment of the Third Deposit in the sum of HK$14,574,000 to the Group.

Inter-Pacific Group was placed under liquidation by the Singapore Court on 27 March 2020 pursuant to the Order of Court HC/ORC 2247/2020. In June 2020, the Company has filed the proof of debt to the liquidators.

Up to the date of this announcement, there is no further update for the above litigation.

In view of the fact that Inter-Pacific Group was known to have financial difficulties, an impairment loss on the refundable deposits of approximately HK$14,574,000 was charged to profit or loss during the year ended 31 March 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

During the Year, the Group's total revenue was approximately HK$85.6 million, representing an increase of approximately 2.1% as compared with approximately HK$83.8 million for the last year. The increase in total revenue was mainly due to (i) the increase in revenue by approximately HK$6.0 million of the manufacturing and trading of printing and packaging products business (the "Printing Business") from approximately HK$53.0 million for the last year to approximately HK$59.0 million this year; netoff with (ii) the decrease in revenue by approximately HK$4.3 million of the manufacturing and trading of printed circuit boards (the "PCB") business from approximately HK$30.8 million for the last year to approximately HK$26.5 million this year.

Due to the suspension of the Group's trading of petroleum and energy products and related business, there has been no revenue generated from this business segment since 2019. The business segment didn't record any segment gain/loss this year as compared to the segment loss of approximately HK$0.1 million for the last year.

The Group recorded a revenue of approximately HK$26.5 million from the PCB business during the year, representing a decrease of 14.0% as compared with the revenue of approximately HK$30.8 million in last year. The decrease in revenue was mainly due to the decrease in customers' demand arised from the slow global economic recovery and keen competition in the industry. The Group's PCB business recorded a segment loss of approximately HK$2.9 million as compared with the segment loss of approximately HK$0.1 million for the last year. Such increase in segment loss was mainly attributable to (i) the decrease in gross profit for this business by approximately HK$1.3 million as a result of the decrease in revenue as above mentioned, and (ii) the increase in staff costs by approximately HK$0.7 million for the new office established in Singapore this year.

During the Year, the gross profit margin for the Group's Printing Business was approximately 18.8% as compared with approximately 17.4% for the last year. Such increase in gross profit margin was mainly due to the cost control measures implemented by the business segment during the Year such as staff costs saving. The Group's Printing Business recorded a segment gain of approximately HK$2.1 million as compared with a segment loss of approximately of HK$0.8 million in last year. The increase in segment result with turnaround was mainly due to (i) the increase in gross profit for this business by approximately HK$1.9 million; and (ii) the decrease in selling and distribution expenses by approximately HK$1.4 million.

During the years ended 31 March 2024 and 2023, upon the completion of subscription of Noricap Fund on 13 September 2022 by the Group, Noricap Fund is yet to commence its business in subscription and management of SP Fund as the establishment of SP Fund is still under progress. Details are set out under the sub-headed section "Investments in Funds Business Segment" under "Outlook" below.

As a result of aforementioned factors, the Group's gross profit margin was approximately 20.7%, representing an increase as compared with approximately 19.1% in last year.

The Group recorded a total net loss of approximately HK$11.9 million for the Year as compared to the total net loss of approximately HK$26.0 million for the last year. The decrease in the net loss for the Year was mainly due to the following factors: (1) the Group recorded a loss on de-consolidation of a subsidiary of approximately HK$16.2 million for the last year, while no such loss was recorded during the Year, details of which are set out in Note 13(a) in this announcement; (2) the Group's gross profit increased to approximately HK$17.7 million, representing an increase of approximately HK$1.7 million as compared with approximately HK$16.0 million in last year; (3) there was a gain on deregistration of subsidiaries of approximately HK$2.1 million for the last year, while no such gain was recorded during the Year, details of which are set out in Note 13(b) in this announcement; and (4) the Group has recorded an impairment loss of loan to a joint venture of approximately HK$1.1 million during the Year, details of which are set out in Note 9 to this announcement.

The Group's equity attributable to the owners of the Company decreased from approximately HK$105.9 million as at 31 March 2023 to approximately HK$93.8 million as at 31 March 2024, which was due to the reported loss for the Year.

The Group's gearing ratio (defined as interest-bearing borrowings and lease liabilities, divided by total capital) as at 31 March 2024 was 0.3% (2023: 1.0%). The decrease in the gearing ratio was mainly due to the decrease in lease liabilities by approximately HK$0.8 million. The Group's current ratio (defined as total current assets divided by total current liabilities) as at 31 March 2024 and 2023 was 2.50 times and 2.47 times, respectively.

As at 31 March 2024, the Group's total cash and bank balances were approximately HK$37.6 million (2023: approximately HK$49.6 million). The Group did not have any interest-bearing borrowings as at 31 March 2024 (2023: Nil).

Foreign Exchange Exposure

The Group's transaction and monetary assets are principally denominated in RMB, HKD and USD. The Group did not experience any difficulties or effects on its operations or liquidity as a result of the fluctuations in currency exchange rates during the Year. The Group did not enter into any foreign exchange derivative contract to manage the currency translation risk of RMB against USD, USD against HKD during the Year, but the Group reviews its foreign exchange exposure regularly and considers using financial instruments to hedge against foreign exchange exposure at appropriate time.

Litigations

Except for those disclosed litigations as set out in Note 15 to this announcement, the Group is not a party to any other significant legal proceedings.

Contingent Liabilities

As at 31 March 2024, the Group did not have any material contingent liabilities and outstanding facilities (2023: Nil).

Capital Commitments

As at 31 March 2024, the Group had no capital commitments (2023: Nil).

Pledge of Assets

There were no borrowings secured by assets of the Group as at 31 March 2024 (2023: Nil).

Employees and Remuneration Policy

As at 31 March 2024, the Group had 263 (2023: 290) employees, including the Directors, working mainly in Hong Kong and the PRC. For the Year, the Group's total staff costs including directors' emoluments were approximately HK$29.2 million (2023: approximately HK$33.9 million).

The Group actively recruits skilled and qualified personnel in local markets through various channels, such as internal referrals and advertisement on the internet. The Group believes that employees are important assets to the Group and the core of its competitive advantage. Therefore, we are dedicated to improving our employment system in order to attract, cultivate and retain talents and believe that this will contribute significantly to the Group's success. It provides competitive remuneration packages and fringe benefits, including basic salary, different types of leave (annual, sick, maternity, funeral, injury and breast-feeding), insurance, housing provident fund, allowance, subsidy and bonus to its employees.

The Company has also adopted a share option scheme as an incentive to, inter alia, the Directors and eligible employees, details of which are set out in the section headed "Share Option Scheme" below.

Under the applicable PRC laws and regulations, the Group is subject to social insurance contribution plans. The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all employees in Hong Kong.

The Group believes that development and training are crucial for employees to discharge their duties more effectively and efficiently. To nurture talents and support continuous development of employees, the Group has established the "Training Management Policy" in its "Employee Handbook" to regulate the processes of training planning, preparation, execution, evaluation and feedback.

Share Option Scheme

A share option scheme (the "Share Option Scheme") was approved and adopted by the passing of an ordinary resolution at a special general meeting of the Company held on 22 November 2016 (the "Date of Adoption") and further approved by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 23 June 2017, under which, options may be granted by the Company to any eligible participants (including executive, non-executive and independent non-executive Directors) to subscribe for shares of the Company, subject to the terms and conditions as stipulated in Share Option Scheme. The Share Option Scheme shall be valid and effective for a period of 10 years after the Date of Adoption. An option must be exercised within 10 years from the date on which it is granted or such shorter period as the Board may specify at the time of grant. An offer of grant of an option may be accepted by an eligible person within 28 days from the date of the offer of grant of the option.

The scheme mandate limit under the Share Option Scheme was refreshed by the passing of an ordinary resolution at the annual general meeting of the Company held on 23 September 2022 (the "2022 AGM"), following which the maximum number of shares that may be issued by the Company upon exercise of all the share options granted under the Share Option Scheme is 161,328,757 shares of the Company, representing 10% of the total number of issued shares of the Company as at the date of the 2022 AGM. The details of the refreshment of the scheme mandate limit under the Share Option Scheme are set out in the circular of the Company dated 27 July 2022.

During the Year and the year ended 31 March 2023, no share options were granted, exercised, cancelled or lapsed under the Share Option Scheme. As at 31 March 2024, there were no outstanding share options under the Share Option Scheme.

As at 31 March 2024 and up to the date of this announcement, the total number of share options available for grant by the Company under the Share Option Scheme was 161,328,757, representing 10% of the shares of the Company in issue.

Final Dividend

The Board does not recommend the payment of a final dividend for year ended 31 March 2024 (2023:Nil).

Future Plan for Material Investments and Capital Assets

The Group does not have any concrete plans for material investments or capital assets acquisitions for the coming 12 months.

Outlook

PCB Business Segment

As the PCB products are mainly applied in the consumer products such as electronics devices and automobiles, they are closely related to the macroeconomic environment. The slow global economic recovery caused the contracted downstream demand. The Board expects the demand for the PCB will remain under pressure as the global economy is stilling facing uncertainty. The Group will continue to implement cost control measures such as supplier management, and leverage its technical expertise to develop the high technology business.

Printing Business Segment

Despite the consumers sentiment has been affected by the sluggish global economic growth, this business segment maintained the operating performance which was ascribed to the sales team's effort to maintain a close relationship with the customer and production team's effort to produce the high-quality printing and packaging products. The Board expects the demand will still be under pressure under the uncertain macroeconomic environment. The Group will continue to implement cost control measures and optimize the inventory management.

Trading of Petroleum and Energy Products and Related Business Segment

The legal proceedings against the two then subsidiaries of the Company (including Pacific Dragon and DML) initiated by Societe Generale, Singapore Bank in August 2019 had been vigorously defended by the Company. On 10 July 2020, the Hong Kong High Court handed down its decision that the injunction continued but only on a proprietary basis, and only in the sums totaling HK$10.2 million and discharge of the injunction would be permitted if such amount was paid into the Court.

In November 2020, DML paid the injuncted amount of approximately HK$6.8 million to the Court. The injunction order against DML was discharged by the order of the Court dated 14 December 2020 and therefore the bank balances held by DML were released from restriction of use. On 29 June 2022, DML ceased to be a subsidiary of the Company under the Winding-up Order and the injuncted amount paid by DML was derecognised upon de-consolidation as set out in Note 13(a) to this announcement.

At 31 March 2021, Pacific Dragon had the bank balances of approximately HK$2.7 million which were restricted from being use. In April 2021, Pacific Dragon paid the injuncted amount of approximately HK$3.5 million into the Court. The injunction order against Pacific Dragon was discharged by the order of the Court dated 18 May 2021 and therefore the bank balances held by Pacific Dragon were released from restriction of use.

Having consulted the Group's lawyer, the Group is of view that we have a reasonable ground of defense and will continue to defend the case.

Details of the legal proceedings are set out in Note 15 to this announcement.

The international crude oil price and commodities price dropped significantly and fluctuated widely at medium and high levels. Nevertheless, the global commodity demand is expected to maintain growth. The Group is actively seeking for trading opportunities and try to resume the trading business. On 22 May 2023, the Company entered into a non-binding memorandum of understanding with an independent third party (as defined in the Listing Rules), pursuant to which, among others, both parties proposed to set up a joint venture which would engage in the trading of energy and resources related products and commodities so as for the Group to resume the trading business. The group is still negotiating with the potential trading partner regarding the operational decision and exploring the trading opportunity. Up to the date of this announcement, a mutual agreement has not been reached yet.

Investments in Funds Business Segment

The Group, through Digital Mind, entered into a joint venture agreement in July 2022, in relation to the subscription of the 40% of equity interests in Noricap Fund which engaged in investment holdings and subscription and management of SP Fund. Details of Noricap Fund are set out in Note 9 to this announcement.

Upon the completion of subscription in Noricap Fund by the Group and LBG, Noricap Fund is yet to commence its business in subscription and management of SP Fund as the establishment of SP Fund is under progress and handling by a reputable fund administrator. Prior to the completion of set-up of SP Fund, Noricap Fund was actively looking for potential investment opportunities and the Group has provided a loan of approximately HK$19.8 million with the terms stipulated in Note 9 to this announcement to Noricap Fund for making temporary investments with stable return. The Board is of the view that the provision of the shareholder loans for the purpose of making other investments as agreed by the joint venture partners will present an investment opportunity to maximise return on the Group's funds and allow the Group to diversify its business and sources of income.

At the end of the Year, considering the overall global economy concession and uncertainty from the global market, the Group and LBG has agreed to early realise the temporary investments and continue to explore other possible opportunities with acceptable risk and reasonable return to make use of the shareholder's loan.

Up to the date of this announcement, the establishment of SP Fund is under progress and LBG will provide its shareholder's loan following the approval from the relevant authorities in the PRC.

Looking forward, the Group and LBG are of the view that the subscription and future development of SP Fund, being a positive investment opportunity, can maximise return of Noricap Fund. At the same time, the Group and LBG will closely monitor the status of the establishment and development of SP Fund.

CORPORATE GOVERNANCE

The Company has applied and complied with all applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 to the Listing Rules throughout the Year, except for the code provision C.2.1 of the CG Code as noted hereunder.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LEE Man Kwong is the chairman of the Board and the Company has not appointed a chief executive officer. The daily operations of the Group are delegated to the executive Directors and the senior management. The Board is of the view that the current management structure can effectively facilitate the Company's operations and business developments.

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

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

EVENTS AFTER THE REPORTING YEAR

Save as disclose elsewhere in this announcement, there were no significant events occurred after the Year and up to the date of this announcement.

REVIEW OF FINANCIAL STATEMENTS BY THE AUDIT COMMITTEE

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

SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code") as its code of conduct regarding 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 during the Year.

SCOPE OF WORK PERFORMED BY MAZARS CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the Year 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 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
Daisho Microline Holdings Limited
LEE Man Kwong
Chairman

Hong Kong, 25 June 2024

As at the date of this announcement, the Board consists of one executive Director, namely, LEE Man Kwong, two non-executive Directors, namely, YAU Pak Yue and WONG Siu Hung, Patrick and three independent non-executive Directors, namely, LEUNG King Fai, CHAN Yau Ching, Bob and LEUNG Hoi Ming.