

UNAUDITED INTERIM REPORT

The Board of Directors (the "Board") of Daisho Microline Holdings Limited (the "Company") is pleased to present the unaudited interim report of the Company and its subsidiaries (the "Group") for the 6 months ended 30 September 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	(Unaudited)	
		6 months ended 30 September	
		2006	2005
		HK\$'000	HK\$'000
REVENUE	3	458,944	251,507
Cost of sales		<u>(241,506)</u>	<u>(160,361)</u>
Gross profit		217,438	91,146
Other income and gains		2,237	841
Selling and distribution costs		(81,963)	(44,968)
Administrative expenses		(19,576)	(14,079)
Other expenses		(755)	(2,535)
Finance costs	4	<u>(2,899)</u>	<u>(1,136)</u>
PROFIT BEFORE TAX	4	114,482	29,269
Tax	5	<u>(16,795)</u>	<u>(3,494)</u>
PROFIT FOR THE PERIOD		<u>97,687</u>	<u>25,775</u>
Attributable to equity holders of the Company		<u>97,687</u>	<u>25,775</u>
INTERIM DIVIDEND	6	<u>19,225</u>	<u>–</u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
– Basic	7	<u>HK20.52 cents</u>	<u>HK5.53 cents</u>
– Diluted		<u>HK20.33 cents</u>	<u>HK5.51 cents</u>