DAIDO GROUP LIMITED

大同集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 544)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

The board of directors (the ''Board'') of Daido Group Limited (the ''Company'') is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the ''Group'') for the six months ended 30th June, 2008, together with the comparative figures for the corresponding period in 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

		Six months ended	
	NOTES	**30.6.2008** *HK$'000* **(unaudited)**	30.6.2007 *HK$'000* (unaudited)
Revenue	*3*	**83,460**	69,971
Direct costs		**(72,692)**	(62,288)
Gross profit		**10,768**	7,683
Other income	*4*	**7,533**	8,196
Selling and distribution expenses		**(1,743)**	(1,740)
Administrative expenses		**(11,351)**	(11,446)
Impairment loss on goodwill	*5*	**-**	(3,200)
Impairment loss on available-for-sale investments	*6*	**-**	(11,600)
Fair value adjustment on loans to an investee	*7*	**(4,387)**	-
Finance costs	*8*	**(3,030)**	(5,546)
Loss before tax		**(2,210)**	(17,653)
Tax credit	*9*	**187**	-
Loss for the period	*10*	**(2,023)**	(17,653)
Loss per share - basic	*12*	**HK(0.05) cents**	HK(0.50) cents

** For identification purpose only*

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30TH JUNE, 2008

	NOTES	**30.6.2008** *HK$'000* **(unaudited)**	31.12.2007 *HK$'000* (audited)
NON-CURRENT ASSETS			
Investment properties		**18,000**	18,000
Property, plant and equipment		**17,251**	19,682
Goodwill		**11,713**	11,713
Interest in an associate		**-**	-
Available-for-sale investments		**137,520**	137,520
Loans to an investee		**106,150**	106,150
Rental deposits paid		**16,352**	14,218
Pledged bank deposits		**68,906**	60,375
		375,892	367,658
CURRENT ASSETS			
Inventories		**72**	93
Trade and other receivables	*13*	**39,575**	34,815
Tax recoverable		**-**	607
Bank balances and cash		**120,475**	134,010
		160,122	169,525
CURRENT LIABILITIES			
Trade and other payables	*14*	**13,517**	14,686
Obligations under a finance lease		**148**	143
Promissory notes		**4,935**	4,762
Tax payable		**470**	-
		19,070	19,591
NET CURRENT ASSETS		**141,052**	149,934
TOTAL ASSETS LESS CURRENT LIABILITIES		**516,944**	517,592
CAPITAL AND RESERVES			
Share capital		**41,680**	41,680
Reserves		**400,270**	402,293
		441,950	443,973
Minority interest		**2**	2
		441,952	443,975
NON-CURRENT LIABILITIES			
Obligations under a finance lease		**13**	88
Amount due to a minority shareholder of a subsidiary		**26,536**	26,536
Convertible bonds		**18,840**	18,097
Promissory notes		**28,941**	27,928
Deferred tax liabilities		**662**	968
		74,992	73,167
		516,944	517,592

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2007.

In the current interim period, the Group has applied, for the first time, certain new interpretations ("new Interpretations") issued by the HKICPA, which are effective for the Group's financial year beginning on 1st January, 2008. The adoption of these new Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - Int 13	Customer Loyalty Programmes[3]
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation[4]

[1] Effective for annual periods beginning on or after 1st January, 2009.
[2] Effective for annual periods beginning on or after 1st July, 2009.
[3] Effective for annual periods beginning on or after 1st July, 2008.
[4] Effective for annual periods beginning on or after 1st October, 2008.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will not have material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group's turnover for the period was derived mainly from activities carried out in Hong Kong.

An analysis of the Group's turnover and segment results by business segment which is the Group's primary reporting segment is as follows:

For the six months ended 30th June, 2008

	Cold storage and logistics services	**Manufacturing and trading of ice**	**Property investment**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
REVENUE	**82,091**	**1,369**	**-**	**83,460**
SEGMENT RESULT	**3,900**	**(1,467)**	**(284)**	**2,149**
Unallocated corporate income				**7,183**
Unallocated corporate expenses				**(4,125)**
Fair value adjustment on loans to an investee				**(4,387)**
Finance costs				**(3,030)**
Loss before tax				**(2,210)**
Tax credit				**187**
Loss for the period				**(2,023)**

For the six months ended 30th June, 2007

	Cold storage and logistics services	Manufacturing and trading of ice	Property investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE	68,396	1,575	-	69,971
SEGMENT RESULT	(1,946)	(1,228)	(261)	(3,435)
Unallocated corporate income				7,889
Unallocated corporate expenses				(4,961)
Impairment loss on available-for -sale investments				(11,600)
Finance costs				(5,546)
Loss before tax				(17,653)
Tax				-
Loss for the period				(17,653)

4. OTHER INCOME

	Six months ended	
	30.6.2008	30.6.2007
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Bank interest income	**1,699**	3,084
Imputed interest income from loans to an investee	**4,387**	4,805
Sundry income	**1,447**	307
	7,533	8,196

5. IMPAIRMENT LOSS ON GOODWILL

During the six months ended 30th June, 2007, the Group had recognised an impairment loss on goodwill amounting to HK$3,200,000 in the condensed consolidated income statement. Goodwill was allocated to one cash generating unit (CGU), which comprises two wholly-owned subsidiaries of the Company engaging in the cold storage and logistics services.

The recoverable amount of this CGU had been determined based on a value in use calculation. That calculation used cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 13%. The cash flows beyond 5-year period were extrapolated using a zero growth rate. Other key assumptions for the value in use calculations related to the estimation of cash inflows/outflows which included budgeted sales and gross margin, such estimation was based on the CGU's past performance and management's expectations for the market development.

The directors of the Company considered that further impairment on goodwill is not necessary during the six months ended 30th June, 2008.

6. IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENTS

The Group had recognised the impairment loss on available-for-sale investments amounting to HK$11,660,000 in the condensed consolidated income statement for the six months ended 30th June, 2007. The amount of the impairment loss was measured as the difference between the carrying amount of the available-for-sale investments and the present value of the estimated future cash flows of investment property, hotel operation and spa operation discounted at 14%, 16% and 18% respectively. Due to the keen competition for hotel operation and spa operation in Macau foreseen by the Group, and the effect of partial disposal of equity interest of an investee holding the investment property, the Group has revised its cash flow forecasts and the carrying amount of available-for-sale investments has therefore been reduced to its recoverable amount through the recognition of the impairment loss.

The directors of the Company considered that further impairment on available-for-sale investments is not necessary during the six months ended 30th June, 2008.

7. FAIR VALUE ADJUSTMENT ON LOANS TO AN INVESTEE

At 30th June, 2008, the Group re-estimated the cash flows of the remaining balance based on the management’s best estimation on the expected repayment date of the loans and discounted at the original effective interest rate of 8.5% per annum and the fair value adjustment on loans to an investee amounted to HK$4,387,000 has been charged to condensed consolidated income statement.

8. FINANCE COSTS

	Six months ended	
	30.6.2008	30.6.2007
	HK$'000	*HK$'000*
Interest on obligations under a finance lease	**4**	9
Imputed interest expense on amount due to a minority shareholder of a subsidiary	**1,097**	1,515
Imputed interest expense on convertible bonds	**743**	2,749
Imputed interest expense on promissory notes	**1,186**	1,273
	3,030	5,546

9. TAX CREDIT

	Six months ended	
	30.6.2008	30.6.2007
	HK$'000	*HK$'000*
The tax credit comprises:		
Hong Kong Profits Tax	**119**	-
Deferred taxation		
Current year	**(251)**	-
Attributable to change in tax rate	**(55)**	-
	(187)	-

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profits tax rate by 1% to 16.5% effective from the year of assessment 2008/2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30th June, 2008. The estimated average annual tax rate used is 16.5% (2007: 17.5%) for the six months ended 30th June, 2008.

10. LOSS FOR THE PERIOD

	Six months ended	
	30.6.2008	30.6.2007
	HK$'000	*HK$'000*
Loss for the period have been arrived at after charging the following items:		
Depreciation of property, plant and equipment	**3,120**	2,873
Loss on disposal of property, plant and equipment	**-**	61

11. DIVIDEND

No dividend was paid, declared or proposed during the period.

The board of directors does not recommend the payment of an interim dividend for the six months ended 30th June, 2008 and 30th June, 2007.

12. LOSS PER SHARE

The calculation of the basic loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended	
	30.6.2008	30.6.2007
	HK$'000	*HK$'000*
Loss for the purposes of basic loss per share	**(2,023)**	(17,653)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**4,168,000**	3,557,168

The effect of convertible bonds is excluded from the calculation of diluted loss per share for both periods since the effect will be anti-dilutive.

13. TRADE AND OTHER RECEIVABLES

Except for certain customers who are allowed 30 to 60 days credit period, no credit period is allowed by the Group in respect of provision of cold storage and logistics services, and manufacturing and trading of ice.

Included in trade and other receivables are trade receivables, net of allowance for doubtful debts, with an aged analysis as follows:

	30.6.2008	31.12.2007
	HK$'000	*HK$'000*
0 - 30 days	**13,653**	14,313
31 - 60 days	**10,994**	11,189
61 - 90 days	**4,357**	5,358
91 - 120 days	**716**	203
More than 120 days	**107**	174
	29,827	31,237

14. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with an aged analysis as follows:

	30.6.2008	31.12.2007
	HK$'000	*HK$'000*
0 - 30 days	**3,555**	3,278
31 - 60 days	**2,028**	1,337
61 - 90 days	**465**	638
91 - 120 days	**10**	1
	6,058	5,254

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL RESULTS

For the six months ended 30 June, 2008, total turnover of the Group amounted to approximately HK$83 million, up 19% when compared to the first half of the previous financial year of approximately HK$70 million. Loss attributable to equity holders of the Group was approximately HK$2 million. The loss was mainly attributable to the fair value adjustment on loans to an investee of HK$4 million. Loss per share was HK 0.05 cents.

The Group continues to run three business divisions, namely (i) Cold Storage and Logistics Services, (ii) Manufacturing and Trading of Ice, and (iii) Property and Hotel Investment.

BUSINESS REVIEW

Cold Storage and Logistics Services

During the first six months of 2008 under review, the Cold Storage and Logistics Services sector achieved a steady growth of 20% in turnover. The segment turned around with a profit of HK$4 million, when compared with a loss of HK$2 million during the same period last year. The Group still earned a profit in this sector, even though there was soaring inflation level in China and Hong Kong and increasing operational costs in the logistics operation. The profit was mainly attributable to increase in occupancy of freezer storage

According to the latest statistics report published by the Hong Kong Census and Statistic Department, the Composite Consumer Price Index (CPI) in Hong Kong for the first half of 2008 rose by 5.1% over the previous year. The upward inflation spiral made dealers increase stock holdings as they expect to sell their goods at a higher price later on. As a result, inventory turnover rate lowered albeit storage occupancy remained high.

During the period under review, the Group maintained an acceptable occupancy rate for its two freezer storage warehouses. In light of increasing demand for freezer storage, the Group has decided to invest in the renovation of its storage warehousing by shifting some of the other storage compartments to freezer compartment. The renovation will take place in phases.

Regarding the Group’s logistics operation, soaring energy prices has added much pressure on the business. An increase of delayed payment cases from the PRC business partners has been observed under the unstable global financial environment. Furthermore, restrictions on transportation activities during Olympic period in the PRC caused a clampdown on the logistics operation. Nevertheless, the Group has implemented strategic operational actions in order to minimize the adverse effects.

Manufacturing and Trading of Ice
During the first six months of 2008, the Ice Manufacturing and Trading sector accounted for approximately 1% of the total revenue of the Group, a decrease from the 2% it made up in 2007.

The revenue performance of the Manufacturing and Trading of ice business showed a decrease due to the prolonged rainy season, offsetting possible increase that could have been gained under the high temperatures recorded during the period under review. Commencement of the infrastructure construction projects were delayed due to the rainy weather, therefore affecting the industrial ice business.

Property and Hotel Investment
During the period under review, the operating result of hotel and spa operation, whilst remain as losses, have been improved as compared to the same period last year. This was the result of an oversupply of hotels and resorts in Macau and regulatory uncertainties. Nevertheless, no further impairment loss on available-for-sale investments was made during the first six months of 2008 after reviewed the projected future cash flow of such investments.

The increasing openings of casinos and casino resorts have intensified the competition in gaming industry in Macau. In order to stay competitive, competitors have opened more casinos and casino resorts in order to gain a larger market share. However, increasing operational costs, particularly in the labour segment, has exerted much pressure on the industry. Some leading casino enterprises even incurred loss in the first half of 2008 due to high labour costs and struggled to cut operating costs through staff streamlining.

Statistics from the Macau's Gaming Inspection and Coordination Bureau showed that the combined gaming revenue of the 30 casinos in Macau for the three months ended June 2008 fell to 28,885 MOP million from 29,823 MOP million in the previous quarter. The drop in gaming business implies the decreased demand for gaming-related business such as hotels and resorts.

The Macau Statistics and Census Service showed that the majority of the visitors to Macau came from the PRC, accounting for 58% of the total number of visitors in June 2008. Due to the tightening of the Individual Visit Scheme of the PRC that was put in force in May 2008, residents of Guangdong and several other provinces could apply for tourist travel permits to Macau once a month, instead of the previous allowance of two tourist travel permits per month. Business or multi-entry visas used by government officials and high rollers have now been reduced from ten visits per month to three visits per month, according to industry observation. Under the new measure, the visitor arrivals from the PRC dropped to 36.1% in June 2008, which added to its woes.

PLEDGE OF ASSETS
As at 30th June, 2008, banking facilities to the extent of HK$3.3 million of the Group were secured by the pledge of bank deposits amounting to HK$3.5 million.

As at 30th June, 2008, bank deposits of approximately HK$65.4 million (31st December, 2007: approximately HK$56.9 million) are pledged to a bank which provides bank guarantee in favour of two landlords for a sum equivalent to 12 months rent payable by the Group under tenancy agreements.

LIQUIDITY AND FINANCIAL RESOURCES
As at 30th June, 2008, the Group had cash and bank balances of approximately HK$120 million. (31st December, 2007: approximately HK$134 million). The decrease was mainly due to the increase in pledged deposit and other receivables. The gearing ratio, measured as non-current borrowings over shareholder's equity was 17% as at 30th June, 2008 (31st December, 2007: 17%).

Monetary assets and liabilities of the Group are principally denominated in Hong Kong dollars. The directors consider the Group's exposure to exchange rate risks to be low. During the year, the Group's capital expenditure was financed by internal cash generation.

SHARE CAPITAL STRUCTURE
As at 30th June, 2008, the total issued share capital of the Group was approximately HK$41,680,000 divided into approximately 4,168,000,000 ordinary shares with a par value of HK$0.01 each, which is the same as those as at 31st December, 2007.

EMPLOYMENT AND RENUMERATION POLICY
As at 30th June, 2008, the total number of employees of the Group in Hong Kong was approximately 268 (31st December, 2007: 268 employees). Remuneration is reviewed annually and in addition to the basic salaries, the Group also provides staff benefits including discretionary bonuses, Mandatory Provident Fund and professional tuition/training subsidies for employees' benefit.

PROSPECT
Cold Storage and Logistics Services
Looking into the future, the Cold Storage and Logistics Services remains the core business and the main drive of revenue for the Group. The revenue growth in this sector is expected to be slightly retarded due to the accelerating inflation spiral and dropping consumer spending sentiment.

For the first half of 2008 as a whole, the Composite Consumer Price Index (CPI) rose by 5.1% over a year earlier according to the Hong Kong Census and Statistics Department.

Results of the AC Nielsen poll taken from late May to early June 2008 showed that consumer confidence index dropped nine points from 118 for the first half of last year to 109 this year that spending sentiment has slipped in the past two years.

In spite of the unfavorable economic environment, the Group endeavours to make the most of its profitable businesses so as to increase profits for the shareholders. As demand for freezer storage remains high, the Group will continue to put more focus on the Cold Storage Services by expanding its freezer capacity, thus easing high occupancy and increasing inventory flow.

Increased capacity of the storage facilities will enable maximization of the operating efficiency and capabilities, which in return, will broaden the revenue and earnings base of the Group. The increase in revenue is expected to be seen in the financial results of the Group since the second half of the year.

Manufacturing and Trading of Ice
Revenue from this sector is expected to remain stable during the second half of the year. Growth in revenue is expected when a number of infrastructure projects by the Hong Kong Government begin commencement starting from 2009 as stated in the 2007-2008 Hong Kong Policy Address. Highlighted projects include the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Sha Tin to Central Link, South Island Line, Kai Tak Development Plan, the Tuen Mun Western Bypass and Tuen Mun – Chek Lap Kok Link.

Property and Hotel Investment
Tightening regulations on the construction of new casinos in Macau are expected to help slow down the white-heat growth of casinos and related amenities such as hotels and resorts, thus easing oversupply and keen competition.

In order to improve the profit margin in this sector, the Grand Waldo management has put strict control over operational expenses by simplifying the human resources structure of the hotel and spa operation during the second half of this year. The effect of improved profit margin is expected to be reflected in the second half of the year.

As always, the Group will continue to strengthen its core businesses, and explore new business opportunities for the profit of its loyal shareholders.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30th June, 2008 (2007 : Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2008.

CORPORATE GOVERNANCE

CODE ON CORPORATE GOVERNANCE PRACTICES

For the first half of 2008, the Board of the Directors are of the view that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for code provision A.2.1 concerning the requirements to separate the roles of the chairman and chief executive officer.

Pursuant to code provision A.2.1, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. During the period, the Chairman and Chief Executive Officer of the Company are currently performed by Mr. Fung Wa Ko. Taking to account Mr. Fung has strong expertise and excellent insight of the business development, corporate management and budget control, this structure will lead to more effective implementation of the overall strategy and ensure smooth operation of the Company. The Board believed that this structure will not impair the balance of power and authority between the Board and the management of the business of the Company as the structure of the Company has strong and independent non-executive directors' element on the Board.

In order to maintain the high quality of the corporate governance and comply with the CG Code requirement, the Board and Nomination Committee will regularly review the need of appointment of different individuals to perform the roles of Chairman and Chief Executive Officer separately.

In respect of the code provision C.2.1 on internal controls, the Company has put a lot of effort on the improvement of its internal control and risk management, an Internal Control Action Plan has been developed for facilitating the internal control of the Group and the details of the Internal Control Action Plan was set out in the Company's 2007 Annual Report. Under the Internal Control Action Plan, the stage of detail sample testing on the internal control system of each department was started in 2007. To succeed this stage, during the period the Company implement detail test in the operation of manufacturing and trading of ice, which is one of its major business segments.

To examine the control effectiveness of this business segment, the Company has reviewed the operations of manufacturing and trading of ice and also focused on the accuracy measurement of such operations. The main issue is to maintain proper and accurate accounting records for the provision of financial information for internal analysis on minimizing operational costs and maximizing efficiency. Through the review, a number of deficiencies were identified, mainly in measuring the utilization of water and the quantity of manufacturing, trading and inferior ice. The rectification of those deficiencies is currently being processed by the relevant departments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of code of conduct for securities transactions by directors, the terms of which are not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Company's Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Company's Model Code during the period under review.

To enhance the corporate governance of the Group as a whole, all relevant employees who are likely to be in possession of unpublished price sensitive information in relation to the Group or securities of the Company are subject to full compliance with the Company's Model Code. No incident of non-compliance was noted by the Company during the period under review.

AUDIT COMMITTEE

The Audit Committee 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 unaudited interim accounts for the six months ended 30th June, 2008 with the Directors. At the request of Audit Committee, the Group's external auditors have carried out a review of the unaudited interim accounts in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee comprises all of the three Independent Non-executive Directors, namely Mr. Leung Chi Hung, Mr. Leung, Tsz Fung David Ferreira and Mr. Tse Yuen Ming.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the Stock Exchange's website at *www.hkexnews.hk* and the Company's website at *www.irasia.com/listco/hk/daido/index.htm* .

The 2008 interim report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and made available on the websites of the Stock Exchange and the Company in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Executive Directors, namely, Mr. Fung Wa Ko and Mr. Tang Tsz Man, Philip and Independent Non-executive Directors, namely, Mr. Leung Chi Hung, Mr. Leung, Tsz Fung David Ferreira and Mr. Tse Yuen Ming.

By order of the Board of
Daido Group Limited
Fung Wa Ko
Chairman

Hong Kong, 12th September, 2008