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DAIDO GROUP LIMITED

大同集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00544)

**(1) PROFIT WARNING;
(2) UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS;
AND
(3) RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09 and Rule 13.10 of the Listing Rules.

(1) PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors the Group will recognize in its consolidated income statements for the year ended 31 December 2008 the following items with a net effect of approximately HK\$113 million: (i) an impairment loss on available-for-sale investments of approximately HK\$49 million; (ii) a decrease in fair value of loans to an investee amounting to approximately HK\$85 million; and (iii) a decrease in fair value of the amount due to a minority shareholder of a subsidiary of approximately HK\$21 million.

The information contained in this announcement is only based on the preliminary assessment by the Group's management based on the consolidated management accounts of the Group, the information provided by the investee and the discount rates provided by a professional valuer, and is not based on any figures nor information that has been audited or reviewed by the Group's auditors.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

(2) UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted the recent increase in the price and trading volume of the Shares today and wish to state that the Directors are not aware of any reasons for such increase.

(3) RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 12:14 p.m. on 1 April 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 2 April 2009.

This announcement is made by Daido Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 and Rule 13.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

PROFIT WARNING

After preliminary review by the Group’s management based on the consolidated management accounts of the Group, the information provided by the investee and the discount rates provided by a professional valuer, the board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and the potential investors that the Group will recognize in its consolidated income statements for the year ended 31 December 2008 the following items with a net effect of approximately HK\$113 million as a result of the continuous operation loss incurred by the Macau hotel resort complex and the economic downturn in Macau and the global market since the second half of 2008:-

- (i) an impairment loss on available-for-sale investments of approximately HK\$49 million due to decline in the estimated future cash flow from the operation of hotel resort complex in Macau and the increase of the discount rates in calculating the present value of the estimated future cash flow of the Macau hotel resort complex;
- (ii) a decrease in fair value of loans to an investee amounting to approximately HK\$85 million as a result of the reassessment of time frame for the repayment of the loan and the increase in the effective interest rate of the loan; and
- (iii) a decrease in fair value of the amount due to a minority shareholder of a subsidiary of approximately HK\$21 million as a result of the reassessment of time frame for the repayment of the loan and the increase in the effective interest rate of the loan.

In the meantime, the Company is in the process of finalizing the audit of the final results of the Group for the year ended 31 December 2008. The overall financial results of the Group for the year ended 31 December 2008 can only be ascertained when all the above information and the other financial information of the Group are finalized. Details of the Group’s financial performance will be disclosed in the final results announcement of the Group which will be issued in April 2009.

The information contained in this announcement is only based on the preliminary assessment by the Group’s management based on the consolidated management accounts of the Group, the information provided by the investee and the discount rates provided by a professional valuer, and is not based on any figures nor information that has been audited or reviewed by the Group’s auditors.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted the recent increase in the price and trading volume of the shares (the “Shares”) of the Company today and wish to state that the Directors are not aware of any reasons for such increase.

The Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules nor the Board is aware of any other matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules which is or may be of a price-sensitive nature, saved for the profit warning statements contained herein which the Board considers not to be a reason for the increase in the price and trading volume of the Shares today.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 12:14 p.m. on 1 April 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 2 April 2009.

By order of the Board
Daido Group Limited
Choy Kai Sing
Company Secretary

Hong Kong, 1 April 2009

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.

** For identification purpose only*