

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



DAIDO GROUP LIMITED

大同集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00544)

DISCLOSEABLE TRANSACTION

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that, after trading hours on 6 April 2011, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into a Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares and Sale Loans in the Target Company at the Consideration of HK\$900,000. The Consideration for the acquisition of Sale Shares and Sale Loans has been settled upon signing of the Sale and Purchase Agreement.

GENERAL

As the relevant percentage ratio (as defined in the Listing Rules) in respect of the transaction(s) contemplated under the Sale and Purchase Agreement exceed 5% but are less than 25%, each of the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, after trading hours on 6 April 2011, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into a Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares and the Sale Loan at the Consideration of HK\$900,000.

THE SALE AND PURCHASE AGREEMENT

Date: 6 April 2011 (after trading hours)

Parties: (1) Vendor : Ms. Lam

(2) Purchaser : Belva Investments Limited

Ms. Lam is a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell: (i) the Sale Shares and (ii) the Sale Loan, which amounts to HK\$598,286 as at the date of the Sale and Purchase Agreement.

The Sale Shares represent the entire issued share capital of the Target Company and the Sale Loan represents 100% of all the liabilities, obligations and indebtedness due by the Target Company to the Vendor.

Consideration

The Consideration for the sale and purchase of the Sale Shares and Sale Loan has been satisfied in cash upon signing of the Sale and Purchase Agreement.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) audited net asset (excluding the Sale Loan) of the Target Group which amount to HK\$557,758 as at 31 December 2010; and (ii) readiness of the existing licence for importing wine & beverage into the PRC. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition to be fair and reasonable and are in the interests of the Company and the Shareholders.

Completion

Completion has been taken place immediately after signing of the Sale and Purchase Agreement.

Upon Completion, the Target Company has become a wholly-owned subsidiary of the Company whose results has been consolidated in the accounts of the Group.

INFORMATION ON THE TARGET GROUP

The Target Company is a company registered under the laws of Hong Kong and its principally business is investment holding. The only assets and operation of the Target Company is the 100% interest in the registered capital of the PRC Company in the amount of RMB500,000 (equivalent to approximately HK\$565,000), which has been fully paid up. The PRC Company was a limited liability company established under the laws of the PRC.

The financial information of the Target Group for the two financial years ended 31 December 2009 and 31 December 2010 are as follows:

	Year ended 31 December 2009 (Audited) <i>HK\$</i>	Year ended 31 December 2010 (Audited) <i>HK\$</i>
<u>Results</u>		
Turnover	34,499	825,877
Profit / (Loss) before tax	(175,004)	172,398
Profit / (Loss) after tax	(175,004)	159,842
	As at 31 December 2009 (Audited) <i>HK\$</i>	As at 31 December 2010 (Audited) <i>HK\$</i>
<u>Assets and liabilities</u>		
Total assets	793,114	611,791
Net asset (excluding the Sale Loan)	417,466	557,758

REASONS FOR THE ACQUISITION

At present, the Group is principally engaged in provision for cold storage and related logistics services, manufacture and trading of ice, property investment, investment holding and operation of karaoke outlet in the PRC.

The PRC is sustaining robust growth in its economy in the recent years, the demand for consumable goods such as wine and liquor like beverages has been increasing rapidly. In view of the zooming popularity of the wine and liquor like beverages in the PRC, the Directors believe that wine & beverage trading business in the PRC has huge potential which can bring considerable profits to the Company. Further, the Group has always been seeking business opportunities for expanding and diversifying its business in the PRC, it is the Group's business strategy to diversify into a new line of business with significant growth potential. As such, the Board considers that the diversification of the Group's business to a new stream will expand the Group's revenue streams and enhance Shareholders' value and as such, in the interests of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL

As the relevant percentage ratio (as defined in the Listing Rules) in respect of the transaction(s) contemplated under the Sale and Purchase Agreement exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Purchaser pursuant to the Sale and Purchase Agreement
“Board”	board of the Directors
“Company”	Daido Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	independent third party (parties) who is (are) not connected person(s) (as defined in the Listing Rules) of the Company and is (are) independent of and not connected with the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Lam” or “Vendor”	Lam Yu Hing, Joey, the Vendor, an Independent Third Party
“Purchaser”	Belva Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Sale and Purchase Agreement”	the sale and purchase agreement dated 6 April 2011 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Sale Share(s)”	the 100 ordinary shares of HK\$1.00 each in the capital of the Target Company, representing the entire issued share capital of the Target Company
“Sale Loan”	HK\$598,286, which being 100% of all the liabilities, obligations and indebtedness owed by the Target Company to the Vendor
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC Company”	光映達貿易(深圳)有限公司, a company established in the PRC
“Target Company”	Rich Bright International Limited, a company incorporated in Hong Kong with limited liability
“Target Group”	together, the Target Company and the PRC Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Reminbi, the lawful currency of the PRC
“%”	per cent.

On behalf of the board of
Daido Group Limited
Au Tat Wai
Executive Director

Hong Kong, 6 April 2010

As at the date of this announcement, the Board comprises executive directors, namely, Mr. Au Tat Wai, Mr. Choy Kai Sing, Mr. Ho Hon Chung, Ivan and Mr. Tang Tsz Man, Philip; non-executive director, namely Mr. Fung Wa Ko; and independent non-executive directors, namely, Mr. Fung Siu Kit, Ronny, Mr. Leung Chi Hung and Mr. Tse Yuen Ming. .

Translation of RMB into Hong Kong dollars are based on the exchange rates of RMB1.13 to HK\$1.00 for information purpose only. Such translation should not be translated as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate at all.

**For identification purposes only.*