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DAIDO GROUP LIMITED

大同集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00544)

PROFIT WARNING

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

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the Board, it is expected that the Group will record a substantial loss for the six months ended 30 June 2012 as compared to the loss for the corresponding period in 2011.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the latest available consolidated management accounts of the Group, which have not been reviewed by the Company's auditor.

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

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

The board of directors (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, based on the information currently available to the Board, it is expected that the Group will record a substantial loss for the six months ended 30 June 2012 as compared to the loss for the corresponding period in 2011.

Based on the relevant information currently available to the Company, the Board considers that the expected loss is primarily attributable to (i) the increase in the Group's costs of operation, especially KTV business in Mainland China; and (ii) further impairment loss on available-for-sale investments.

Despite the above, the Board notes that the revenue derived from the business of the Group, the cold storage and related services operation, remains stable for the six months ended 30 June 2012.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the latest available consolidated management accounts of the Group, which have not been reviewed by the Company's auditor. Details of the Group's financial performance will be disclosed in the interim results announcement of the Group which will be issued in August 2012.

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

By order of the Board
Daido Group Limited
Au Tat Wai
Executive Director

Hong Kong, 15 August 2012

As at the date of this announcement, the Board comprises executive Directors, namely, Mr. Au Tat Wai, Mr. Choy Kai Sing, Mr. Chung Siu Wah, 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.

** For identification purpose only*