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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 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”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “SFO”).

Based on the information available for the time being, the board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the Group is expected to record a significant increase of not less than 95% in loss for the year ended 31 December 2021, as compared with the loss of approximately HK\$40,584,000 recorded for the year ended 31 December 2020. The Board considers that the expected increase in the loss is primarily attributable to (1) the Group no longer receives any government subsidies under the Employment Support Scheme from the Government’s Anti-epidemic Fund established by the Hong Kong Government as a result of the outbreak of the coronavirus (COVID-19); (2) the one-off loss and expense recorded due to the disposal of an associate and the termination of a management service agreement with the associate; (3) the decline in turnover and gross margin in the Mainland China-based trading business due to the downturn of the macro economy and market competition, and the start-up costs incurred for a newly launched OEM beverage product in Mainland China; and (4) the outbreak and continuance of the coronavirus (COVID-19).

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 or audited by the Company's auditor and/or reviewed by the audit committee of the Company. Details of the Group's financial performance will be disclosed in the annual results announcement of the Group which will be issued by end of March 2022.

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

By order of the Board
Daido Group Limited
Ho Hon Chung, Ivan
Executive Director

Hong Kong, 18 February 2022

As at the date of this announcement, the Board comprises executive directors, namely, Mr. Ho Hon Chung, Ivan and Mr. Fung Pak Kei; non-executive directors, namely, Mr. Au Tat Wai and 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*