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DAIDO GROUP LIMITED

大同集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00544)

RULE 13.09 ANNOUNCEMENT

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

The Board wishes to inform the holders of the securities of the Company and potential investors that two of its indirect wholly owned subsidiaries namely, BTILL and BCSML, have received a Writ of Summons dated 1 April 2011 served by World Asian International Limited.

BTILL and BCSML have appointed a firm of legal counsel to represent them to defend the claim and legal proceedings. BTILL and BCSML, having obtained counsel's advice, are taking steps to strike out the Plaintiffs' claims. In any event, BTILL and BCSML will vigorously contest the claims and take all steps as they consider appropriate to defend themselves against such claims.

Public investors are urged to exercise extreme caution when dealing in the securities of the Company.

This announcement is made by the board (the "Board") of directors (the "Directors") of Daido Group Limited (the "Company") pursuant to rule 13.09 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 1 April 2011, two indirect wholly owned subsidiaries of the Company namely, Brilliant Top In Logistics Limited ("BTILL") and Brilliant Cold Storage Management Limited ("BCSML"), have received a Writ of Summons dated 1 April 2011 (the "Writ") issued by World Asian International Limited (the "Plaintiff") as plaintiff, with BTILL named as 1st defendant and BCSML named as 2nd defendant, in respect of disputes relating, inter alia, the alleged misdelivery of the Plaintiff's goods.

In the Writ, the Plaintiff claims against BTILL and BCSML for:

- (a) EUR230,257 (equivalent to approximately HK\$2.5 million) or its Hong Kong dollar equivalent;
- (b) Further or alternatively, damages;
- (c) Interest;
- (d) Costs; and
- (e) Further or other relief.

BTILL and BCSML have appointed a firm of legal counsel to represent them to defend the claim and legal proceedings. BTILL and BCSML, having obtained counsel's advice, are taking steps to strike out the Plaintiffs' claims. Given that the litigation process is still at an early stage, the Directors consider that it is not practical to assess its potential impact on the Group at the moment. In any event, BTILL and BCSML will vigorously contest the claims and take all steps as they consider appropriate to defend themselves against such claims. Further announcement will be made by the Company in the event of any material development regarding the above proceedings.

Save as disclosed the above, so far as the Company is aware, there is no litigation or arbitration proceedings made or threatened to be made against the Group, which would have a significant impact on the business or operations of the Group. If BTILL and BCSML are found liable for the Plaintiff's claim, in the absence of unforeseeable circumstances, the Group will still have sufficient working capital for running its business in the ordinary course.

In the meantime, public investors are urged to exercise extreme caution when dealing in the securities of the Company.

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

Hong Kong, 4 April 2011

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.

**For identification purposes only.*