

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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

DAIDO GROUP LIMITED

大同集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 544)

FURTHER DELAY IN DESPATCH OF CIRCULAR

As additional time is required for the Auditors to finalise the accountants' report on the Target Group and the pro forma financial statements of the Enlarged Group, and to review the indebtedness statement which will be updated to 30 June 2006, the despatch of the Circular will be further delayed from 29 July 2006 to on or before 12 August 2006.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules such that the despatch of the Circular is to be further postponed to on or before 12 August 2006.

Reference is made to the announcement (the "**First Announcement**") of the Company in relation to the very substantial acquisition dated 7 June 2006 and the announcement (the "**Second Announcement**") of the Company in relation to the delay in despatch of circular dated 28 June 2006. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as those defined in the First Announcement.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to despatch the circular (the "**Circular**") containing, among other things, details of the Acquisition, information regarding the Target Group and a notice of the SGM to the Shareholders within 21 days after the publication of the First Announcement, which shall be on or before 29 June 2006. As disclosed in the Second Announcement, the Company had applied for a waiver with the Stock Exchange from strict compliance with Rule 14.38 of the Listing Rules such that the despatch of the Circular was delayed to on or before 29 July 2006. During the period from 30 June 2006 to 27 July 2006, the auditors of the Company (the "**Auditors**") have been preparing the accountants' report on the Target Group and the pro forma financial statements of the Group as enlarged by the Acquisition (the "**Enlarged Group**"), and have reviewed the indebtedness statement as of 31 May 2006 and the working capital forecast prepared by the Company. As additional time is required for the Auditors to finalise the accountants' report on the Target Group and the pro forma financial statements of the Enlarged Group, and to review the indebtedness statement which will be updated to 30 June 2006, the despatch of the Circular will be further delayed from 29 July 2006 to on or before 12 August 2006.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules such that the despatch of the Circular is to be further postponed to on or before 12 August 2006.

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

Hong Kong, 28 July 2006

As at the date of this announcement, the Board comprises executive Directors, namely, Mr. To Shu Fai, 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*