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DAIDO

DAIDO GROUP LIMITED

大同集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 544)

COMPLETION OF PLACING OF EXISTING SHARES

The Board is pleased to announce that the Placing Agent has successfully placed a total of 480,000,000 existing Shares on behalf of Top Synergy to 20 placees, comprising institutional and individual investors who are not connected persons of the Company and are independent of and not connected with the Company and its connected persons, at a placing price of HK\$0.116. Completion of the Placing took place on 26 May 2006.

Reference is made to the announcement of the Company dated 23 May 2006 (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the Placing Agent has successfully placed a total of 480,000,000 existing Shares on behalf of Top Synergy to 20 placees, comprising institutional and individual investors, at a placing price of HK\$0.116. Of the 480,000,000 existing Shares placed, 310,000,000 Shares were placed to institutional investors and 170,000,000 Shares were placed to individual investors. Completion of the Placing took place on 26 May 2006. The Placing Shares represent (i) 16% of the Company’s existing issued share capital; and (ii) approximately 13.79% of the Company’s issued share capital as enlarged by the Subscription.

To the best of the Directors’ and the Placing Agent’s knowledge, information and belief, having made all reasonable enquiries, the placees and their ultimate beneficial owners are not connected persons of the Company and are independent of and not connected with the Company and its connected persons.

The changes in the shareholding structure of the Company as a result of the Placing and the Subscription, are as follows:

Shareholder	Shareholding immediately before completion of the Placing and the Subscription	Shareholding immediately after completion of the Placing but before completion of the Subscription	Shareholding immediately after completion of the Placing and the Subscription
Top Synergy (Note 1)	2,023,231,329 Shares (approximately 67.44%)	1,543,231,329 Shares (approximately 51.44%)	2,023,231,329 Shares (approximately 58.14%)
Twenty places	—	480,000,000 Shares (16%)	480,000,000 Shares (approximately 13.79%)
Public Shareholders (other than the places)	976,768,671 Shares (approximately 32.56%)	976,768,671 Shares (approximately 32.56%)	976,768,671 Shares (approximately 28.07%)
Total	3,000,000,000 Shares (100%)	3,000,000,000 Shares (100%)	3,480,000,000 Shares (100%)

Note:

- The 2,023,231,329 Shares are held by Top Synergy, the ultimate holding company of the Company, which owned as to 50% by Vision Harvest Limited (“VHL”) and as to 50% by Ever Achieve Enterprises Limited (“EAEL”). The entire issued share capital of VHL is owned by Mr. To Shu Fai, the Chairman of the Company and an executive Director. The entire issued share capital of EAEL is owned by Mr. Chung Chiu Pui, Ms. Foo Hang Luen, Monita, Ms. Lee Yun and Mr. Yuen Kin Wing in equal shares.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

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

Hong Kong, 26 May 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*