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DAIDO GROUP LIMITED

大同集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00544)

**COMPLETION OF THE PLACING OF EXISTING SHARES AND SUBSCRIPTION
OF NEW SHARES UNDER GENERAL MANDATE**

THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that the Placing and the Subscription have been completed on 20 August 2009 and 24 August 2009 respectively in accordance with respective terms and conditions of the Placing Agreement and the Subscription Agreement.

Reference is made to the announcement of the Company dated 14 August 2009 (the “**Announcement**”) in relation to the Placing and the Subscription. Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that all the conditions set out in the Placing Agreement and the Subscription Agreement have been fulfilled and the Placing and the Subscription have been completed on 20 August 2009 and 24 August 2009 respectively.

Pursuant to the Placing, an aggregate of 830,000,000 Placing Shares, representing approximately 16.61% of the issued share capital of the Company as at the date hereof, have been successfully placed to not less than six Placees, who and whose ultimate beneficial owners are not connected persons of the Company and are independent of the Company and its connected persons, at the Placing Price of HK\$0.068 per Placing Share. Pursuant to the Subscription, Ever Achieve has subscribed for the 830,000,000 Subscription Shares, which is equal to the number of Placing Shares successfully placed to the Placees under the Placing, at the

Subscription Price of HK\$0.068 each. The net proceeds from the Placing and the Subscription amount to approximately HK\$55 million which, as disclosed in the Announcement, will be used for the general working capital of the Group.

None of the Placees has become a substantial Shareholder (as defined in the Listing Rules) as a result of the Placing and the Subscription.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 4,998,000,000 Shares in issue. The shareholding structure of the Company (i) immediately before completion of the Placing and the Subscription; (ii) immediately after completion of the Placing but before completion of the Subscription; and (iii) immediately after completion of the Placing and the Subscription are as follows:

Shareholder	Immediately before completion of the Placing and the Subscription		Immediately after completion of the Placing but before completion of the Subscription		Immediately after completion of the Placing and the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Ever Achieve ^(Note 1)	1,011,615,665	24.72	181,615,665	4.36	1,011,615,665	20.24
Bingo Chance Limited ^(Note 2)	700,000,000	16.79	700,000,000	16.79	700,000,000	14.01
Ever Apollo Limited ^(Note 3)	73,940,000	1.77	73,940,000	1.77	73,940,000	1.48
Equity Capital Group Limited ^(Note 4)	311,615,664	7.48	311,615,664	7.48	311,615,664	6.23
Public Shareholders:-						
The Placees	-	-	830,000,000	19.91	830,000,000	16.61
Others	2,070,828,671	49.68	2,070,828,671	49.68	2,070,828,671	41.43
Total	<u>4,168,000,000</u>	<u>100.00</u>	<u>4,168,000,000</u>	<u>100.00</u>	<u>4,998,000,000</u>	<u>100.00</u>

Notes:

1. The entire issued share capital of Ever Achieve is beneficially owned by Mr. Chung Chiu Pui, Ms. Foo Hang Luen, Monita, Ms. Lee Yun and Mr. Yuen Kin Wing in equal shares.
2. Wulgar Wai Wan is the sole beneficial owner of Bingo Chance Limited. She is deemed to be interested in the 700,000,000 Shares which are held by Bingo Chance Limited under the SFO.
3. Other than the interest in 73,940,000 Shares, Ever Apollo Limited is also deemed to have interest in the share capital of the Company in respect of 210,344,828 Shares which may fall to be allotted and issued to it upon exercise of the conversion right attaching to the convertible bonds under the SFO. Mr. Fung Ho Sum who is the sole beneficial owner of Ever Apollo Limited. Each of him and his spouse, Ms. Wong Ka May is deemed to be interested in Shares which are held by Ever Apollo Limited under the SFO.
4. Mr. So Yiu Ming, Sunny is the sole beneficial owner of Equity Capital Group Limited. Each of him and his spouse, Ms. Lam Fung Yee is deemed to be interested in 311,615,664 Shares which are held by Equity Capital Group Limited under the SFO.

By order of the Board
Daido Group Limited
Choy Kai Sing
Executive Director

Hong Kong, 24 August 2009

As at the date of this announcement, the Board comprises executive directors, namely, Mr. Fung Wa Ko and Mr. Tang Tsz Man, Philip, Mr. Choy Kai Sing and independent non-executive directors, namely, Mr. Fung Siu Kit, Ronny, Mr. Leung Chi Hung and Mr. Tse Yuen Ming.

** For identification purpose only*