

DAIDO

DAIDO GROUP LIMITED

大同集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 544)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Daido Group Limited (the “**Company**”) will be held at Plaza I–III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 4 September 2006 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without modifications, as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the conditional sale and purchase agreement (the “**Agreement**”) dated 29 May 2006 (as supplemented by a supplemental agreement dated 15 August 2006) entered into among Grand Decade Enterprises Limited, a wholly owned subsidiary of the Company, as purchaser, Ever Apollo Limited (“**Ever Apollo**”) as vendor and Mr. Fung Ho Sum as the guarantor relating to the sale and purchase of the 100 shares of US\$1.00 each in the share capital of Jumbonet International Profits Limited (“**Jumbonet**”) and the shareholder’s loan owed by Jumbonet to Ever Apollo for a total consideration of HK\$336 million, a copy of the Agreement and the supplemental agreement dated 15 August 2006 having been produced to this Meeting marked “A” and “B” respectively and signed by the chairman of this Meeting for the purpose of identification, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) any one or more of the directors (the “**Directors**”) of the Company be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary or expedient in their absolute discretion to implement and/or give effect to the Agreement and the transactions contemplated thereunder;
- (c) the issue of the convertible bond (the “**Convertible Bond**”) in the principal amount of HK\$104.4 million by the Company in accordance with the terms and conditions of the Agreement and the transactions contemplated therein be and are hereby approved; and
- (d) any one or more of the Directors be and are hereby authorised to take all steps necessary or expedient in their opinion to implement and/or give effect to the issue of Convertible Bond including but not limited to the allotment and issue of 900,000,000 shares of HK\$0.01 each in the share capital of the Company which may fall to be issued upon the exercise of the conversion rights attaching to the Convertible Bond.”

By order of the Board
Daido Group Limited
Fung Wa Ko
Chairman

Hong Kong, 21 August 2006

Notes:

1. A member of the Company entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the offices of the Company's branch share registrar in Hong Kong, Union Registrars Limited at 311–312 Two Exchange Square, Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above Meeting or any adjournment thereof, should he/she so wishes.
3. In the case of joint holders of shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

As at the date of this announcement, the Board comprises executive Directors, namely, 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*