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DAIDO GROUP LIMITED

大同集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 00544)

PROPOSED AMENDMENTS TO THE BYE-LAWS

The board of directors (“**Directors**”) of Daido Group Limited (the “**Company**”) proposes to amend the Bye-laws of the Company (“**Bye-laws**”) by way of adoption of new Bye-laws to, inter alia, provide flexibility to the Company in relation to the conduct of general meetings, bring the Bye-laws in line with certain recent amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), including Appendix 3 of the Listing Rules with respect to core shareholder protection standards, and make other consequential and housekeeping amendments (“**Proposed Amendments**”).

The major changes brought about by the Proposed Amendments are summarized below:

1. to allow all general meetings (including, inter alia, an annual general meeting, a special general meeting, any adjourned meeting or postponed meeting) to be held as a physical meeting in any part of the world and at one or more locations, or as a hybrid meeting or an electronic meeting;
2. to remove the requirement that where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases, and that if purchases are by tender, tenders shall be available to all shareholders of the Company (“**Shareholders**”) alike;
3. to clarify that, apart from serving advance notice in newspapers, the registration of transfer of shares of any class of the Company may also be suspended for a prescribed period upon serving advance notice through any other means as may be accepted by the Stock Exchange;
4. to change the requirement that an annual general meeting shall be held in each financial, rather than calendar year and the maximum time that may elapse between such annual general meetings;

5. to specify that Shareholders have the right to add resolutions to a meeting agenda for general meetings of the Company convened at the requisition of Shareholders holding not less than one-tenth of the paid up capital of the Company;
6. to provide that all Shareholders have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration;
7. to clarify the exception circumstances when a Director is still eligible to vote (and be counted in the quorum) on resolutions of the Board approving contracts or arrangements or any other proposals in which he or any of his close associates is materially interested, in accordance with Rule 13.44 of the Listing Rules;
8. to require an extraordinary resolution (two-thirds majority), rather than a special resolution of Shareholders to remove the Company's auditors;
9. to clarify that an auditor of the Company which has been appointed by the Board to fill in a casual vacancy, may act until such vacancy continues and its remuneration for the time being may be fixed by the Board; and
10. to make other consequential and house-keeping amendments.

The Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the forthcoming annual general meeting (“AGM”) of the Company to be held on 26 May 2022 and, if approved, will become effective upon such approval. A circular containing, among other things, details of the Proposed Amendments and the notice of the AGM will be dispatched to the Shareholders in due course.

By order of the Board
Daido Group Limited
Ho Hon Chung, Ivan
Executive Director

Hong Kong, 14 April 2022

As at the date of this announcement, the Board comprises executive directors, namely, Mr. Ho Hon Chung, Ivan and Mr. Fung Pak Kei; non-executive directors, namely, Mr. Au Tat Wai and 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 purpose only*