

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim 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 GROUP LIMITED

大同集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 00544)

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 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 23 November 2009 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

SEPCIAL RESOLUTION

1. “**THAT** subject to (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting or agreeing to grant the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reorganisation (as defined below) and to be allotted and issued as described in the circular of the Company dated 29 October 2009; (ii) the compliance by the Company with the relevant legal procedures and requirements under the Companies Act 1981 of Bermuda (as amended) and the Rules Governing the Listing of Securities on the Stock Exchange to effect the Capital Reorganisation (as defined below); and (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be, with effect from the next business day after this Meeting
 - (a) every five (5) shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company be consolidated (“**Share Consolidation**”) into one (1) share of HK\$0.05 each (“**Consolidated Share**”);
 - (b) the paid-up capital of each issued Consolidated Share be reduced from HK\$0.05 to HK\$0.01 by cancelling HK\$0.04 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share be reduced from HK\$0.05 to HK\$0.01 so as to form a new share (“**New Share**”) with nominal value of HK\$0.01 each (“**Capital Reduction**”);

- (c) the credit arising in the accounts of the Company from the Capital Reduction be credited to the special capital reserve account of the Company;
- (d) the directors of the Company (“**Directors**”) be and are hereby authorised to apply the balance in the special capital reserve account in any manner permitted by the laws of Bermuda and the bye-laws of the Company (“**Bye-Laws**”) (together with the Share Consolidation and the Capital Reduction are herein referred to as the “**Capital Reorganisation**”); and
- (e) the Directors be and are hereby authorised generally to do all such acts, deeds and things and to sign and to affix the common seal in accordance with the Bye-Laws on all documents as they may, in their absolute discretion, deem necessary, desirable or appropriate to give effect and implement any of the foregoing.”

ORDINARY RESOLUTIONS

- 2. “**THAT** immediately after the Capital Reorganisation becoming effective, the authorised share capital of the Company be increased from HK\$10,000,000 divided into 1,000,000,000 New Shares of HK\$0.01 each to HK\$600,000,000 divided into 60,000,000,000 New Shares of HK\$0.01 each by creating an additional 59,000,000,000 unissued New Shares.”
- 3. “**THAT** the re-election of Mr. Fung Siu Kit, Ronny as an independent non-executive Director be and is hereby approved.”
- 4. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the Directors at the annual general meeting (the “**AGM**”) of the Company held on 17 June 2009 be and is hereby revoked and replaced by the mandate **THAT**:
 - (a) subject to paragraph 4(c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares (New Share immediately upon the Capital Reorganisation becoming effective) and to make or grant offers, agreements and options, including warrants to subscribe for Shares (New Share immediately upon the Capital Reorganisation becoming effective), which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph 4(a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph 4(a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares (New Share immediately upon the Capital Reorganisation becoming effective) in lieu of the whole or part of a dividend on Shares in accordance with the Bye-Laws in force from time to time; or (iv) any issue of Shares (New Share immediately upon the Capital Reorganisation becoming effective) upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares (New Share immediately upon the Capital Reorganisation becoming effective), shall not exceed the aggregate of:

- (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),

and the authority pursuant to paragraph 4(a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws, the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“Rights Issue” means an offer of Shares (New Share immediately upon the Capital Reorganisation becoming effective), or offer or issue of warrants, options or other securities giving rights to subscribe for Shares (New Share immediately upon the Capital Reorganisation becoming effective) open for a period fixed by the Directors to holders of Shares (New Share immediately upon the Capital Reorganisation becoming effective) on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph 5(b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 5(c) below) of all powers of the Company to repurchase Shares on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph 5(a) during the Relevant Period (as defined in paragraph 5(c) below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph 5(a) of this resolution shall be limited accordingly; and

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws, the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

6. “**THAT** subject to the ordinary resolutions nos. 4 and 5 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options which might require to exercise of such powers pursuant to resolution no. 4 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 5.”

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

Hong Kong, 29 October 2009

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Unit No.1906, 19/F.
West Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

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, 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 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockart Road, Wanchai, 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.
4. Pursuant to the Listing Rules, the voting on all resolutions at the Meeting will be conducted by way of poll.
5. As at the date hereof, the board of Directors comprises executive Directors, namely, Mr. Au Tat Wai, Mr. Tang Tsz Man, Philip and Mr. Choy Kai Sing, non-executive Director namely 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 purposes only*