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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Daido Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**DAIDO GROUP LIMITED**

**大同集團有限公司\***

*(Incorporated in Bermuda and its members' liability is limited)*

**(Stock Code: 00544)**

- (1) PROPOSED RE-ELECTION OF DIRECTORS;  
(2) PROPOSED APPOINTMENT OF NEW DIRECTOR;  
(3) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND  
TO REPURCHASE SHARES;  
(4) CLOSURE OF REGISTER OF MEMBERS;  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of Daido Group Limited to be held at Conference Room, 1st Floor, No. 8 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong on Thursday, 25 May 2023 at 11:00 a.m. is set out on pages AGM-1 to AGM-6 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

\* for identification purposes only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM” or “Annual General Meeting”	an annual general meeting of the Company to be held at Conference Room, 1st Floor, No. 8 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong on Thursday, 25 May 2023 at 11:00 a.m., a notice of which is set out on pages AGM-1 to AGM-6 of this circular or, where the context so admits, any adjournment thereof
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company, and “Bye-Law” shall mean a bye-law of the Bye-Laws
“Company”	Daido Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted, issued and dealt with under the Issue Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot and issue further new Shares not exceeding 20% of the total number of the issued Shares as at the date of the passing of such resolution

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## DEFINITIONS

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“Latest Practicable Date”	18 April 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the total number of the issued Shares as at the date of the passing of such resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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LETTER FROM THE BOARD

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**DAIDO GROUP LIMITED**

**大同集團有限公司\***

*(Incorporated in Bermuda and its members' liability is limited)*

**(Stock Code: 00544)**

*Executive Directors:*

Mr. Ho Hon Chung, Ivan

Mr. Fung Pak Kei

*Non-executive Directors:*

Mr. Au Tat Wai

Mr. Fung Wa Ko

*Independent Non-executive Directors:*

Mr. Fung Siu Kit, Ronny

Mr. Leung Chi Hung

Mr. Tse Yuen Ming

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of  
business in Hong Kong:*

Unit No. 1301, Level 13

Tower 1, Kowloon Commerce Centre

No. 51 Kwai Cheong Road

Kwai Chung

New Territories

Hong Kong

25 April 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED RE-ELECTION OF DIRECTORS;  
(2) PROPOSED APPOINTMENT OF NEW DIRECTOR;  
(3) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND  
TO REPURCHASE SHARES;  
(4) CLOSURE OF REGISTER OF MEMBERS;  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM of the Company to be held at Conference Room, 1st Floor, No. 8 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong on Thursday, 25 May 2023 at 11:00 a.m. approving, among other matters: (i) the re-election of Directors; (ii) the appointment of new Director; and (iii) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate.

### RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprises two executive Directors, namely, Mr. Ho Hon Chung, Ivan and Mr. Fung Pak Kei; two non-executive Directors, namely, Mr. Au Tat Wai and Mr. Fung Wa Ko; and three independent non-executive Directors, namely, Mr. Fung Siu Kit, Ronny, Mr. Leung Chi Hung and Mr. Tse Yuen Ming.

The length of tenure of the independent non-executive Directors serving more than nine years is as follows:

<b>Name</b>	<b>Date of Appointment</b>	<b>Length of the Tenure</b>
Mr. Fung Siu Kit, Ronny	13 August 2009	More than 13 years
Mr. Leung Chi Hung	4 September 2003	More than 19 years
Mr. Tse Yuen Ming	6 August 2003	More than 19 years

At the AGM, ordinary resolutions will be proposed to re-elect Mr. Fung Pak Kei as executive Director; and Mr. Leung Chi Hung as independent non-executive Director.

Pursuant to Bye-Law 84, at each annual general meeting one-third of the Directors for the time being (save and except those Directors in respect of whom the provision of Bye-Law 83(2) applies) or, if their number is not a multiple of three (3), the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall retire from office by rotation at least once every three years. A retiring Director shall be eligible for re-election. Accordingly, Mr. Fung Pak Kei, Mr. Leung Chi Hung and Mr. Fung Siu Kit, Ronny will retire by rotation and, being eligible, offer themselves for re-election at the AGM. Mr. Fung Pak Kei and Mr. Leung Chi Hung, being eligible, will offer themselves for re-election while Mr. Fung Siu Kit, Ronny, being eligible, does not offer himself for re-election and will retire as an independent non-executive Director and will cease to be the chairman of the remuneration committee of the Company; and the member of the audit committee and the nomination committee of the Company at the conclusion of the AGM. Mr. Fung Siu Kit, Ronny has served as an independent non-executive Director for over 13 years and has decided to retire due to his age and devotion of more time for his personal development.

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## LETTER FROM THE BOARD

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Mr. Fung Siu Kit, Ronny confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the Shareholders or the Stock Exchange. The Company expresses its sincere appreciation to Mr. Fung Siu Kit, Ronny for his independent advice and guidance to the Board and the Company over the past years.

The nomination committee of the Company, when recommending Directors including independent non-executive Directors for re-election as a member of the Board at the Annual General Meeting, was in accordance with the Nomination Policy and the Board Diversity Policy and has considered the Directors' commitments to their respective roles and functions and a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Company has received written confirmations from Mr. Leung Chi Hung for his independence pursuant to Rule 3.13 of the Listing Rules. The nomination committee of the Company noted the positive contributions from Mr. Leung Chi Hung to the development of the Company's strategy and policies through independent, constructive and informed contributions supported by his skills, expertises and qualifications and from his active participations at meetings. The nomination committee of the Company has assessed and is satisfied of the independence of Mr. Leung Chi Hung. Taking into consideration his record of independence during his term of service, the nomination committee of the Company considered Mr. Leung Chi Hung to be independent under the Listing Rules.

Accordingly, the nomination committee of the Company has proposed Mr. Fung Pak Kei and Mr. Leung Chi Hung to be re-elected at the Annual General Meeting. Having considered the recommendation of the nomination committee of the Company and with due regard for the benefits of diversity, the Board is satisfied that each of the proposed Directors has contributed effectively to the operation of the Board in the past and believes that the re-election of such proposed Directors will allow the Board to continuously benefit from the sharing of their invaluable experience, contribution and participation. Each of the proposed Directors abstained from voting on the relevant resolution at the Board meeting regarding his own re-election.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. Details of the above two retiring Directors who offer themselves for re-election at the AGM which are required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

### **APPOINTMENT OF NEW DIRECTOR**

With the recommendation from the nomination committee of the Company, the Board has resolved to propose the appointment of Mr. Lo Chi Wang ("**Mr. Lo**") as an independent non-executive Director at the Annual General Meeting, subject to and with effect upon the approval by the Shareholders at the Annual General Meeting.

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## LETTER FROM THE BOARD

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The recommendation of the proposed appointment of a new independent non-executive Director was made by the nomination committee of the Company in accordance with the Nomination Policy and Board Diversity Policy and has considered the Board composition, the candidate's commitments to his respective roles and functions and a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The nomination committee of the Company has assessed and reviewed the written confirmation of independence of Mr. Lo pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules and is satisfied with Mr. Lo's independence in accordance therewith. The Board considers that the appointment of Mr. Lo as an independent non-executive Director is in the best interest of the Company and Shareholder as a whole. Upon appointment, Mr. Lo will become the chairman of the remuneration committee of the Company; and member of the audit committee and nomination committee of the Company. The Board believes that the extensive experience and skills of Mr. Lo in accounting and financial management and with listed companies will bring insights to the Group's corporate governance and contribute to the Board diversity.

At the Annual General Meeting, a separate ordinary resolution will be put forward to the Shareholders in relation to the proposed appointment of Mr. Lo as an independent non-executive Director, for a term commencing from the date of the Annual General Meeting subject to his retirement by rotation at least once every three years and re-election pursuant to the Bye-laws of the Company. Details of Mr. Lo which are required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

### **ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE**

At the annual general meeting of the Company held on 26 May 2022, ordinary resolutions were passed granting general mandates to the Directors, inter alia, (i) to allot, issue and deal with additional Shares not exceeding 20% of the total number of the issued Shares as at 26 May 2022 and Shares not exceeding 10% of the total number of the issued Shares as at 26 May 2022 repurchased by the Company pursuant to the mandate to repurchase Shares; and (ii) to repurchase Shares not exceeding 10% of the total number of the issued Shares as at 26 May 2022.

In accordance with the provisions of the Listing Rules and the terms of the general mandates granted to the Directors at the annual general meeting of the Company held on 26 May 2022, the mandate to issue Shares and the mandate to repurchase Shares granted at the annual general meeting held on 26 May 2022 shall expire at the conclusion of the forthcoming AGM to be held on 25 May 2023.

The Directors propose to seek the approval of the Shareholders of the resolutions to be proposed and set out in resolutions numbered 5 and 6 respectively in the notice of the AGM to grant to the Directors new general mandates (i) to allot, issue and deal with additional Shares not exceeding 20% of the total number of the issued Shares as at the date of the AGM; and (ii) to repurchase Shares not exceeding 10% of the total number of the issued Share as at the date of the AGM.



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## LETTER FROM THE BOARD

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In addition, subject to the resolutions numbered 5 and 6 are granted, a resolution numbered 7 as set out in the notice of the AGM will also be proposed as a separate ordinary resolution at the AGM to grant to the Directors the extension of the Issue Mandate, which provides that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

As at the Latest Practicable Date, the Company has 290,110,400 Shares in issue (adjusted for the share consolidation of the Company that became effective on 24 March 2022). Subject to the passing of the proposed resolution granting the Issue Mandate and on the basis that no further Shares are issued or repurchased from the Latest Practicable Date up to the date of the AGM, the Company will be allowed to allot, issue and deal with a maximum of 58,022,080 Shares pursuant to the Issue Mandate.

As at the Latest Practicable Date, the Company has 290,110,400 Shares in issue (adjusted for the share consolidation of the Company that became effective on 24 March 2022). Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased from the Latest Practicable Date up to the date of the AGM, the Company will be allowed to repurchase a maximum of 29,011,040 Shares pursuant to the Repurchase Mandate.

An explanatory statement required by the Listing Rules in connection with the Repurchase Mandate containing all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM is set out in the Appendix III to this circular.

### **ACTION TO BE TAKEN**

The resolutions referred to above are set out in full in the notice of the AGM as contained in this circular on pages AGM-1 to AGM-6. A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.irasia.com/listco/hk/daido/index.htm](http://www.irasia.com/listco/hk/daido/index.htm). Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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### VOTING AT THE AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Chairman of the AGM will therefore demand a poll for every resolution put to the vote at the AGM pursuant to Bye-Law 66.

After the closure of the AGM, the poll results of the AGM will be published on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.irasia.com/listco/hk/daido/index.htm](http://www.irasia.com/listco/hk/daido/index.htm) in accordance with Rule 13.39(5) of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023 (both days inclusive) during which period, no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Friday, 19 May 2023.

### RECOMMENDATION

The Directors consider that the proposals for (i) the re-election of Directors; (ii) the appointment of new Director; and (iii) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, and are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## LETTER FROM THE BOARD

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### GENERAL

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully  
For and on behalf of the Board  
**Daido Group Limited**  
**Ho Hon Chung, Ivan**  
*Executive Director*

The details of the Directors proposed to be re-elected at the AGM are set out as follows:

### FUNG PAK KEI

Mr. Fung Pak Kei (“**Mr. Fung**”), aged 40, has been appointed as Executive Director of the Company in June 2019. Subsequently, Mr. Fung has been appointed as Chief Operating Officer of the Group. He has also served as a director of certain subsidiaries of the Company. Mr. Fung is a member of Hong Kong Institute of Certified Public Accountants since 2008 and a member of Hong Kong Institute of Taxation since 2012. He holds Bachelor of Commerce and Bachelor of Arts (Asian Studies) from the University of Queensland and was admitted to the Golden Key International Honour Society in 2000. Mr. Fung was also awarded a scholarship to Hitotsubashi University in Japan and completed a Brand Marketing and a Japanese program in 2002. He worked at PricewaterhouseCoopers from 2005 to 2017 and focused on merger & acquisition and tax planning and was involved in various international/regional business advisory projects. Mr. Fung founded GIK Business Consulting Limited (“**GIK**”), which is focusing on a wide range of business consulting and also has been a director of GIK since 2017. Save as disclosed above, Mr. Fung did not hold any positions with the Company and other members of the Group. Apart from the Company, Mr. Fung has not held directorships in any listed companies in Hong Kong or overseas in the last three years.

As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Fung had deemed interest in 20,232,313 Shares (representing approximately 6.97% of the total issued Shares) which were directly held by Ever Achieve Enterprises Limited. Mr. Fung is one of the shareholders held 50% shareholdings of Ever Achieve Enterprises Limited. He is also interested in 5,802,208 underlying Shares held pursuant to the share option scheme of the Company (representing approximately 2% of the total issued Shares). Save as disclosed above, Mr. Fung did not have any relationships with any Directors, senior management or substantial or controlling Shareholders and also did not have any interests in Shares within the meaning of Part XV of the SFO.

The Company has entered into a formal letter of appointment with Mr. Fung pursuant to which he has agreed to act as an executive Director until the conclusion of the AGM. If Mr. Fung is re-elected, a new letter of appointment will be entered into by the Company with him, which will supersede the current letter of appointment, upon which he will be appointed for a term of 3 years commencing from 25 May 2023. The term of appointment of Mr. Fung is also subject to retirement by rotation and re-election in accordance with the Bye-Laws. Pursuant to the current letter of appointment, Mr. Fung is entitled to receive for the year of 2022 the Director’s fees of HK\$132,000 and other emoluments (including salaries, allowances, retirement scheme contributions and discretionary bonus) of approximately HK\$2,356,000. The remuneration of Mr. Fung is determined by reference to his experience, duties, responsibilities and time commitment with the Company, the Company’s remuneration policy, as well as the remuneration benchmark in the industry and the prevailing market conditions.

Save for the information set out above, there is no other information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of Shareholders in relation to the re-election of Mr. Fung as an executive Director.

**LEUNG CHI HUNG**

Mr. Leung Chi Hung (“**Mr. Leung**”), aged 67, joined the Group as an Independent Non-executive Director of the Company in September 2003. He is also the chairman of audit committee of the Company and a member of nomination committee and remuneration committee of the Company respectively. Mr. Leung has commenced his accountancy professional training since 1976 and is now members of international accountancy bodies. He is a certified public accountant (Practising) in Hong Kong and a director of Philip Leung & Co. Limited. Mr. Leung is also an independent non-executive director of REF Holdings Limited (stock code: 1631), and Zhongzheng International Company Limited (stock code: 943), those companies are listed on The Stock Exchange of Hong Kong Limited. Save as disclosed above, Mr. Leung did not hold any positions with the Company and other members of the Group and has not held directorships in any listed companies in Hong Kong or overseas in the last three years.

As at the Latest Practicable Date, Mr. Leung did not have any relationships with any Directors, senior management or substantial or controlling Shareholders and also did not have any interests in Shares within the meaning of Part XV of the SFO.

The Company has entered into a formal letter of appointment with Mr. Leung pursuant to which he has agreed to act as an independent non-executive Director until the conclusion of the AGM. If Mr. Leung is re-elected, a new letter of appointment will be entered into by the Company with him, which will supersede the current letter of appointment, upon which he will be appointed for a term of 3 years commencing from 25 May 2023. The term of appointment of Mr. Leung is also subject to retirement by rotation and re-election in accordance with the Bye-Laws. Pursuant to the current letter of appointment, Mr. Leung received a fixed remuneration of HK\$180,000 per annum as Director’s fee. The remuneration of Mr. Leung is determined by reference to his experience, duties, responsibilities and time commitment with the Company, the Company’s remuneration policy, as well as the remuneration benchmark in the industry and the prevailing market conditions.

Mr. Leung has been appointed as an independent non-executive Director since 4 September 2003. Therefore, Mr. Leung has accordingly served the Company for more than 9 years after 4 September 2012. Mr. Leung and his immediate family members have no financial or family relationships with any other Directors, senior management or substantial or controlling Shareholders. Currently, or within one year immediately prior to the Latest Practicable Date, he and his immediate family members do or did not have a material interest in any principal business activity of or are or were not involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core connected persons of the Company. He and his immediate family members are independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of Mr. Leung's independent judgement. Mr. Leung has met the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board, therefore, considers him to be independent.

Mr. Leung is a certified public accountant (Practising) in Hong Kong. He has commenced his accountancy professional training since 1976 and now is the members of international accountancy bodies. The election of Mr. Leung as an independent non-executive Director may replenish the professional knowledge of the Board in financial management, promote the diversity of the Board in skills and experience, and enhance the financial reporting standard of the Company. Therefore, the Board recommends to the Shareholders to re-elect Mr. Leung as an independent non-executive Director at the AGM.

Save for the information set out above, there is no other information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of Shareholders in relation to the re-election of Mr. Leung as an independent non-executive Director.

The details of the new Director proposed to be appointed at the AGM are set out as follows:

### **LO CHI WANG**

Mr. Lo Chi Wang (“**Mr. Lo**”), aged 45, will be appointed as Independent Non-executive Director subject to and with effective upon the approval of the Shareholders at the Annual General Meeting. Mr. Lo has over 19 years of experience in financial services sector. Mr. Lo’s experience in auditing and tax advisory services was gained from his various positions in Deloitte Touche Tohmatsu. Mr. Lo was the financial controller of Sino Grandness Food Industry Group Limited (stock code: T4B, a company listed on the Singapore Stock Exchange) and has participated in the preparation of initial public offering project in the private sector.

Mr. Lo received a degree of Bachelor of Arts (Honour) in Accounting from Manchester Metropolitan University in Manchester, United Kingdom. He is a fellow member of the Association of Chartered Certified Accountants (“**ACCA**”), the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and CPA Australia. He was a committee member of Qualification and Examinations Board (“**QEB**”) of HKICPA and a co-opted member of Moderation Sub-groups under QEB.

Mr. Lo has been the financial controller and assistant general manager of financial service division and Hong Kong factory of Hung Fook Tong Group Holdings Limited (stock code: 1446, a company listed on the Main Board of the Stock Exchange). Mr. Lo is currently an independent non-executive director of Novacon Technology Group Limited (stock code: 8635, a company listed on GEM of the Stock Exchange) and was an independent non-executive director of Dragon Rise Group Holdings Limited (stock code: 6829, a company listed on Main Board of the Stock Exchange). Save as disclosed above, Mr. Lo did not hold any positions with the Company and other members of the Group and has not held directorship in any listed company in Hong Kong or overseas in the last three years.

As at the Latest Practicable Date, Mr. Lo did not have any relationships with any Directors, senior management or substantial or controlling Shareholders and also did not have any interests in Shares within the meaning of Part XV of the SFO.

A letter of appointment will be entered into by the Company with him upon his appointment at the AGM, upon which he will be appointed for a term of 3 years commencing from the date of AGM. The term of appointment of Mr. Lo is also subject to retirement by rotation and re-election in accordance with the Bye-Laws. Pursuant to the letter of appointment, Mr. Lo will receive a fixed remuneration of HK\$180,000 per annum as Director’s fee. The remuneration of Mr. Lo is determined by reference to his experience, duties, responsibilities and time commitment with the Company, the Company’s remuneration policy, as well as the remuneration benchmark in the industry and the prevailing market condition.

Save for the information set out above, there is no other information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of Shareholders in relation to the appointment of Mr. Lo as an independent non-executive Director.

This appendix provides an explanatory statement containing all the information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision as to whether to vote for or against the ordinary resolution to be proposed at the AGM to approve the Repurchase Mandate.

### **LISTING RULES RELATING TO REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the Company has 290,110,400 Shares in issue (adjusted for the share consolidation of the Company that became effective on 24 March 2022). Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 29,011,040 Shares, representing 10% of the total number of the issued Shares as at the date of approval of the Repurchase Mandate.

### **REASONS FOR THE REPURCHASE OF SHARES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

### **FUNDING OF REPURCHASE OF SHARES**

Repurchase made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Bye-Laws, the Companies Act 1981 (as amended) and other applicable laws of Bermuda.



Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might not have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2022, being the date of its latest published audited financial statements.

However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

### SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve months immediately preceding (and including) the Latest Practicable Date are as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2022</b>		
April	0.240	0.180
May	0.195	0.175
June	0.170	0.140
July	0.172	0.172
August	0.189	0.161
September	0.215	0.200
October	0.205	0.205
November	0.205	0.175
December	0.180	0.156
<b>2023</b>		
January	0.185	0.158
February	0.170	0.145
March	0.197	0.133
April (up to the Latest Practicable Date)	0.145	0.143

**THE TAKEOVERS CODES AND MINIMUM PUBLIC HOLDING**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Codes. Accordingly, a Shareholder, or group of Shareholders acting in concert (as defined in the Takeovers Codes), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Codes.

At the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following substantial Shareholders were interested in 10% or more of the number of issued Shares:

<b>Name of shareholder</b>	<b>Capacity</b>	<b>No. of shares held</b>	<b>Approximate percentage of total issued share capital</b>
Great Virtue Holding Limited <i>(Note)</i>	Beneficial owner	46,880,000	16.16%
William Waileung Kong <i>(Note)</i>	Interest of controlled corporation	46,880,000	16.16%

*Note:* The entire issued share capital of Great Virtue Holding Limited is beneficially owned by Mr. William Waileung Kong.

On the basis of the current shareholdings structure of the Company, an exercise of the Repurchase Mandate in full will not result in any Shareholders becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Codes.

As at the Latest Practicable Date, the Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in a requirement of any Shareholder, or any other persons to make a general offer under the Takeovers Codes or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

**SHARE REPURCHASED BY THE COMPANY**

No Shares have been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date.

**GENERAL INFORMATION**

To the best of the information, knowledge and belief of the Directors, having made all reasonable enquiries, none of the Directors or any of their respective close associates has a present intention to sell any Shares in the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-Laws and the applicable laws of Bermuda.

No core connected person has notified the Company that he has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted by the Shareholders to the Board.

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## NOTICE OF AGM

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### DAIDO GROUP LIMITED

大同集團有限公司\*

*(Incorporated in Bermuda and its members' liability is limited)*

(Stock Code: 00544)

### NOTICE OF 2023 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 Annual General Meeting (the “**Meeting**”) of Daido Group Limited (the “**Company**”) will be held at Conference Room, 1st Floor, No. 8 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong on Thursday, 25 May 2023 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

#### ORDINARY RESOLUTIONS

1. To receive and approve the audited consolidated financial statements together with the report of the directors (the “**Director(s)**”) of the Company and the independent auditor’s report for the year ended 31 December 2022.
2. (i) To re-elect Mr. Fung Pak Kei as an executive Director;  
  
(ii) To re-elect Mr. Leung Chi Hung as an independent non-executive Director; and  
  
(iii) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
3. To appoint Mr. Lo Chi Wang as an independent non-executive Director and authorise the Board to fix his remuneration.
4. To re-appoint Mazars CPA Limited as the Company’s auditors and to authorise the Board to fix their remuneration.

\* *For identification purpose only*

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To consider, as special business and, if thought fit, pass the following resolutions with or without amendments as ordinary resolutions:

5. **“THAT:**

- (a) subject to paragraph 5(c) below, pursuant to the Rules (the **“Listing Rules”**) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**), the exercise by the Directors during the Relevant Period (as defined in paragraph 5(d) below) of all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.01 each in the capital of the Company (the **“Shares”**) and to make or grant offers and/or agreements to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph 5(a) above shall authorise the Directors during the Relevant Period to make or grant offers and/or agreements which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares 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 5(a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph 5(d) 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 in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the **“Bye-Laws”**) of the Company in force from time to time; or (iv) any issue of Shares 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, shall not exceed the aggregate of:
  - (aa) 20% of the total number of the issued Shares on the date of the passing of this resolution; and
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of any Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of issued Shares on the date of the passing of resolution no. 6),

and the authority pursuant to paragraph 5(a) of this resolution shall be limited accordingly; and

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(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) (the “**Companies Act**”) 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, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company 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).”

6. “**THAT:**

- (a) subject to paragraph 6(b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 6(c) below) of all powers of the Company to repurchase the 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;

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## NOTICE OF AGM

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(b) the total number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph 6(a) during the Relevant Period (as defined in paragraph 6(c) below) shall not exceed 10% of the total number of the issued Shares as at the date of the passing of this resolution and the authority pursuant to paragraph 6(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 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.”

7. “**THAT** subject to the ordinary resolutions nos. 5 and 6 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. 5 above be and is hereby extended by the addition thereon of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution no. 6, provided that such amount shall not exceed 10% of the total number of the issued Shares on the date of the passing of resolution no. 6.”

By order of the Board  
**Daido Group Limited**  
**Cheung Hoi Kin**  
*Company Secretary*

Hong Kong, 25 April 2023

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## NOTICE OF AGM

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*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*

Unit No. 1301, Level 13  
Tower 1, Kowloon Commerce Centre  
No. 51 Kwai Cheong Road  
Kwai Chung  
New Territories  
Hong Kong

*Notes:*

1. For the purposes of determining members' eligibility to attend, speak and vote at the Meeting (or at any adjournment thereof) to be held on Thursday, 25 May 2023, the register of members of the Company will be closed. Details of such closure are set out below:

For determining eligibility to attend, speak and vote at the Meeting:

Latest time to lodge transfer documents for registration . . . . . 4:00 p.m. on  
Friday, 19 May 2023

Closure of register of members. . . . . Monday, 22 May 2023 to  
Thursday, 25 May 2023  
(both days inclusive)

Record date . . . . . Thursday, 25 May 2023

During the above closure period, no transfer of Shares will be registered. To be eligible to attend, speak and vote at the Meeting (or at any adjournment thereof), all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than the aforementioned latest time.

2. A member of the Company entitled to attend, speak and vote at the Meeting (or at any adjournment thereof) convened by the above notice is entitled to appoint one or more than one proxy to attend, speak and 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 of Shares in respect of which each such proxy is so appointed.
3. In order to be valid, the completed form of proxy must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, at least 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case may be). If a form of proxy is signed by an attorney of a shareholder who is not a corporation, the power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong) must be delivered to Union Registrars Limited together with the form of proxy. For the avoidance of doubt, form of proxy sent by facsimile or electronic means is not accepted.
4. 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 were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. If Typhoon Signal No.8 or above, or a "black" rainstorm warning or extreme conditions caused by super typhoons is in effect in Hong Kong any time after 8:00 a.m. on the date of the Meeting, the Meeting will be rescheduled. The Company will post an announcement on the website of the Company at [www.irasia.com/listco/hk/daido/index.htm](http://www.irasia.com/listco/hk/daido/index.htm) and on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify shareholders of the Company of the date, time and place of the rescheduled Meeting.



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## NOTICE OF AGM

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6. Pursuant to the Listing Rules, all resolutions set out in the Notice of the AGM will be decided by poll at the Meeting.
7. As at the date hereof, 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.