THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

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

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities in the Company.

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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)

SUBSCRIPTION OF NEW SHARES UNDER THE SPECIFIC MANDATE AND NOTICE OF SPECIAL GENERAL MEETING

Capitalised terms used in this cover shall have the same meanings as defined in this circular.

A notice convening the special general meeting (the "**SGM**") of the Company to be held at Conference Room, Unit 2703, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong on Monday, 29 December 2025 at 11 a.m. is set out on pages SGM-1 to SGM-4 of this circular. A form of proxy for use at the SGM is enclosed with this circular.

Whether or not you intend to attend the SGM (or any adjournment thereof), you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar 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 and in any event not less than 48 hours before the time fixed for holding the SGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

* *For identification purposes only*

5 December 2025

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NOTICE OF SGM SGM-1

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"Announcement"	the announcement dated 31 October 2025 in relation to, among others, the Subscription
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (not being a Saturday, Sunday, public holiday in Hong Kong or any day on which a tropical cyclone warning no. 8 or above, a "black" rainstorm warning or "extreme conditions" announced by the Government of Hong Kong is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for business throughout their normal business hours
"Company"	Daido Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	the completion of the Subscription in accordance with the terms and conditions set out in the Subscription Agreements
"connected person(s)"	has the meaning ascribed to this term under the Listing Rules
"CB Holder(s)"	the holder(s) of the Convertible Bonds
"Convertible Bonds"	the unlisted convertible bonds in aggregate principal amount of HK$45,000,000 issued by the Company to the CB Holders on 21 July 2025 pursuant to the convertible bonds subscription agreements dated 20 April 2025, details of which are set out int the Company's circular dated 27 June 2025
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not core connected persons of the Company and are third parties independent of the Company and its core connected persons in accordance with the Listing Rules

"Latest Practicable Date"	5 December 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
"Listing Committee"	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Options"	the outstanding share options to subscribe for new Shares granted by the Company under the share option scheme(s) adopted by the Company
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held to consider and approve the Subscription Agreements and the transactions contemplated thereunder including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Specific Mandate"	the specific mandate to be sought at the SGM for the allotment and issue of the Subscription Shares to the Subscribers pursuant to the Subscription Agreements
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber A"	China Aviation Development Limited
"Subscriber B"	Voyage Capital Holdings Limited
"Subscriber C"	Hong Kong Gold and Jewelry Accessories Group Limited
"Subscribers"	together Subscriber A, Subscriber B and Subscriber C
"Subscription"	the subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
"Subscription Agreement A"	the conditional agreement dated 31 October 2025 and entered into between the Company and Subscriber A in respect of the Subscription
"Subscription Agreement B"	the conditional agreement dated 31 October 2025 and entered into between the Company and Subscriber B in respect of the Subscription

"Subscription Agreement C"	the conditional agreement dated 31 October 2025 and entered into between the Company and Subscriber C in respect of the Subscription
"Subscription Agreements"	together with the Subscription Agreement A, the Subscription Agreement B and the Subscription Agreement C
"Subscription Price"	the subscription price of HK$2.00 per Subscription Share
"Subscription Shares"	an aggregate of 10,000,000 new Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements
"Takeovers Code"	the Code on Takeovers and Mergers
"%"	per cent.

DAIDO GROUP LIMITED
大同集團有限公司*

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

(Stock Code: 00544)

Executive Director:
Mr. He Xinyu

Non-executive Director:
Ms. Kwan Nga Chung

Independent non-executive Directors:
Mr. Leung Chi Hung
Ms. Li Dan
Mr. Lo Chi Wang

Registered office:
Clarendon House 2 Church Street
Hamilton HM11 Bermuda

Head office and principal place of business in Hong Kong:
Unit 2703, 27/F
Tower 1, Admiralty Centre
18 Harcourt Road
Hong Kong

To the Shareholders

Dear Sir or Madam,

SUBSCRIPTION OF NEW SHARES UNDER THE SPECIFIC MANDATE

INTRODUCTION

Reference is made to the Announcement in relation to, among others, the proposed subscription of new Shares under the Specific Mandate.

The purpose of this circular is to provide you with further details of the proposed Subscription and to give you the notice of the SGM to be concerned for the purpose of considering and, if thought fit, approval the proposed Subscription, the allotment and issue of the Subscription Shares pursuant to the Specific Mandate and the transactions contemplated thereunder.

* *For identification purposes only*

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 31 October 2025, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which (a) Subscriber A has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 2,500,000 Subscription Shares at the Subscription Price of HK$2.00 per Subscription Share; (b) Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 2,500,000 Subscription Shares at the Subscription Price of HK$2.00 per Subscription Share; and (c) Subscriber C has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 5,000,000 Subscription Shares at the Subscription Price of HK$2.00 per Subscription Share.

Subscription Agreement A

Date: 31 October 2025

Parties:

(i) The Company as issuer

(ii) Subscriber A as subscriber

Subscription Agreement B

Date: 31 October 2025

Parties:

(i) The Company as issuer

(ii) Subscriber B as subscriber

Subscription Agreement C

Date: 31 October 2025

Parties:

(i) The Company as issuer

(ii) Subscriber C as subscriber

The Subscribers

Subscriber A is a company incorporated in the British Virgin Islands with limited liability which is primarily engaged in investment and consultancy business, is ultimately beneficially wholly-owned by Mr. Guo Ke (郭可), who is the Independent Third Party as at the date of the Subscription Agreements.

Subscriber B is a company incorporated in the British Virgin Islands with limited liability which is primarily engaged in investment business, is ultimately beneficially wholly-owned by Mr. Li Yuhang (李宇航). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as Mr. Li Yuhang directly holds the Convertible Bonds which can be converted into 10,414,497 Shares, Subscriber B and its ultimate beneficial owner are Independent Third Parties as at the date of the Subscription Agreements.

Subscriber C is a company incorporated in Hong Kong with limited liability which is primarily engaged in import and export trading business, is ultimately beneficially wholly-owned by Mr. Zhang Jier (張繼兒), who is the Independent Third Party as at the date of the Subscription Agreements.

Each of the Subscribers are independent from each other.

Mr. Li Yuhang (one of the CB Holders) is the ultimate beneficial owner of Subscriber B. Subscriber A and Subscriber C were introduced to the Company during social gatherings prior to the Subscription, and subsequently they had exchanged views with the Company's management on the Group's business prospects and development opportunities.

Mr. Li Yuhang holds Convertible Bonds which can be converted into 10,414,497 Shares, assuming full conversion (and that no other CB Holders converts their Convertible Bonds), Mr. Li Yuhang would hold approximately 23.03% of issued share capital of the Company prior to the Completion of the Subscription. Based on its reasonable enquiries, the Company confirms that Subscriber B and Mr. Li Yuhang are Independent Third Parties save for Mr. Li Yuhang's holding of the Convertible Bonds which do not confer any voting rights in the Company. After completion of the Subscription and before any conversion of Convertible Bonds, Subscriber B will only hold approximately 5.58% of the Company's issued share capital as enlarged by the Subscription. After completion of the Subscription and upon full conversion of Convertible Bonds by Mr. Li Yuhang (assuming that all other CB Holders do not convert their Convertible Bonds), Subscriber B will then hold approximately 4.53% of the Company's issued share capital as enlarged by the issue of 10,414,497 Shares upon conversion.

Save for Subscriber B whose ultimate beneficial owner is Mr. Li Yuhang (one of the CB Holders), (i) each of the other Subscribers has no relationship with any of the CB Holders and (ii) none of the Subscribers has any business or other relationships with the Company, its connected persons and their respective associates.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, each of the Subscribers and its ultimate beneficial owner(s) are Independent Third Parties.

Number of Subscription Shares

Subject to the terms and conditions of the Subscription Agreements, the Company conditional agrees to issue, and the Subscribers agree to, subject to fulfillment of the conditions precedent of the Subscription Agreements, subscribe, the Subscription Shares at the Subscription Price.

The aggregate 10,000,000 Subscription Shares, representing approximately 28.72% of the issued share capital of the Company and approximately 22.31% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares will be HK$1,000,000.

Subscription Price

The Subscription Price of HK$2.00 per Subscription Share represents:

(i) a discount of approximately 2.44% to the closing price of HK$2.05 per Share as quoted on the Stock Exchange on 30 October 2025, being the last trading day immediately preceding to the date of the Subscription Agreements;

(ii) a discount of approximately 2.44% to the average of the closing prices of HK$2.05 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to the date of the Subscription Agreements;

(iii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.54%, represented by the theoretical diluted price of approximately HK$2.04 per Share to the benchmarked price of approximately HK$2.05 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (a) the closing price on the date of the Subscription Agreements, being HK$2.05 per Share and (b) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the earlier of (1) the date of this announcement, (2) the date of the Subscription Agreements and (3) the date on which the Subscription Price was fixed, being HK$2.05 per Share);

(iv) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) in aggregation with the Convertible Bonds (which were issued under a specific mandate conferred by the Shareholders at the special general meeting of the Company held on 14 July 2025) and the Subscription of approximately 14.29%, represented by the cumulative theoretical diluted price of approximately HK$0.51 per Share to the theoretical benchmarked price of HK$0.60 per Share in respect of the Convertible Bonds and the Subscription (as calculated under Rule 7.27B of the Listing Rules); and

(v) a premium of approximately 2.56% to the closing price of HK$1.95 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The net Subscription Price, after deduction of relevant expenses, is approximately HK$1.97 per Subscription Share.

The Subscription Price was fixed on the date of the Subscription Agreements and arrived at after arm's length negotiations between the Company and the Subscribers, having regard to the following key factors: (i) the prevailing market price and recent trading performance of the Shares; (ii) the prevailing market sentiment and capital market conditions; (iii) the Group's funding requirements, including repayment of indebtedness, general working capital and resources necessary to support its ongoing business and other development initiatives; (iv) the Group's unaudited consolidated net liability position as at 30 June 2025; and (v) the expected improvement to the Group's financial position as a result of the Subscription, which may facilitate future fundraising. In particular, the parties have considered the historical trading performance of the Shares before the execution of the Subscription Agreements, including:

(a) a discount of approximately 1.96% to the average closing price of approximately HK$2.04 per Share for the 10 consecutive trading days immediately prior to the date of the Subscription Agreements;

(b) a discount of approximately 1.48% to the average closing price of approximately HK$2.03 per Share for the 20 consecutive trading days immediately prior to the date of the Subscription Agreements; and

(c) a premium of approximately 11.11% to the average closing price of approximately HK$1.80 per Share for the 30 consecutive trading days immediately prior to the date of the Subscription Agreements.

The Board noted that the Subscription price represents only a slight discount to the average closing price of the Shares for the 10 and 20 consecutive trading days immediately prior to the date of the Subscription Agreements, and even a premium of more than 11% to the average closing price of the Shares for the 30 consecutive trading days immediately prior to the date of the Subscription Agreements. The Board concluded that applying a reasonable discount to most recent market price was necessary to attract the Subscribers and to secure timely completion of the Subscription.

Having regard to the above factors, the Board is of the view that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Specific Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the Specific Mandate which will be sought from the Shareholders at the SGM.

Subscription Shares shall be allotted and issued under the Specific Mandate to be obtained at the SGM. The Specific Mandate shall remain valid and effective until the Long Stop Date ("**Validity Period**"). In the event that the conditions of the Subscription are not fulfilled or waived (as applicable) on or before the Long Stop Date, the Subscription Agreements will lapse and so will the Specific Mandate. In the event that the Long Stop Date has to be extended beyond 30 January 2026, the Company will re-comply with all applicable Listing Rules requirements (including but not limited to obtaining shareholders' approval as required under the Listing Rules).

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Conditions of the Subscription

The Subscription is conditional upon:

(A) the passing by the Shareholders or independent Shareholders (as the case may be) (as required under the Listing Rules) at the SGM all resolutions required under the relevant laws and regulations to effect, among others, the Subscription Agreements, the issue of the Subscription Shares as well as the transactions contemplated thereunder;

(B) the granting of approval by the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares which may only be subject to conditions as are customarily stipulated by the Stock Exchange for listing of shares, and such approval not having been revoked;

(C) in respect of the relevant Subscription Agreement and the transactions contemplated thereunder, all necessary approvals and consents by government and regulatory authorities having been obtained, and all relevant regulatory requirements (including but not limited to those under the Listing Rules and all relevant regulatory requirements in Hong Kong) having been complied with and satisfied;

(D) no material adverse change or prospective material adverse change in the Group's business, operations, financial conditions or prospects has occurred since the date of the Subscription Agreements;

(E) the warranties given by the Company under the relevant Subscription Agreement having remained true and accurate in all material respects;

(F) the warranties given by the relevant Subscriber under the relevant Subscription Agreement having remained true and accurate in all material respects; and

(G) the Subscribers having been satisfied with the results of the due diligence investigation on the business, assets, liabilities and financial position of the Company and having notified the Company of the same.

The Subscribers may at any time waive in writing condition (D), (E) and/or (G) and such waiver may be made subject to such terms and conditions as may be determined by the Subscribers. The Company may at any time waive in writing condition (F) and such waiver may be made subject to such terms and conditions as may be determined by the Company. All other conditions may not be waived.

As at the Latest Practicable Date, none of the conditions above has been fulfilled and the Company and each of the Subscribers currently have no intention to waive any of the conditions which can be waived by them.

In the event that the conditions of the Subscription are not fulfilled or waived on or before 30 January 2026 (the "**Long Stop Date**") or such other date as may be agreed between the parties to the Subscription Agreements, the Subscription Agreements shall cease and terminate and neither the Company nor the Subscribers shall have any obligations and liabilities under the relevant Subscription Agreement.

Completion of the Subscription

Completion of the Subscription will take place on a Business Day on or before the Long Stop Date after the conditions of the Subscription are fulfilled (or such other date as may be agreed between the parties).

Completion of each of the Subscription Agreements is not inter-conditional upon each other.

Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

REASONS FOR THE SUBSCRIPTION AGREEMENTS AND USE OF PROCEEDS

The Company is an investment holding company and the Group is mainly engaged in cold storage and related business, trading and sale of food and beverage business, and investment holding.

As set out in the interim report of the Company for the six months ended 30 June 2025, the Group's total liabilities exceeded its total assets by approximately HK$59.55 million as at 30 June 2025. This financial position exposes the Group to liquidity risk if it fails to secure adequate funding to meet its obligations. The Directors believe that the proceeds from the Subscription will contribute to lowering the Group's gearing ratio and enhance the Company's overall financial stability. The Company does not have any intention to enter into, and has not entered into, any arrangement, agreement, understanding or negotiation (formal or informal; express or implied) to downsize or dispose of the existing business.

The gross proceeds and net proceeds of the Subscription are HK$20 million and approximately HK$19.72 million, respectively. The Directors intend to apply the net proceeds from the Subscription in the following manner:

(i) approximately HK$15 million will be used for the repayment of bonds (as set out below); and

(ii) approximately HK$4.72 million will be allocated for general working capital of the Group, including, but not limited to, staff costs, rental payments for offices and premises, and other administrative expenses. The Company expects to utilise such proceeds by the end of June 2026.

The Group recently obtained consents of certain holders to extend the maturity date of their bonds. Set out below are details of the outstanding bonds to be financed by the net proceeds of the Subscription:

Item	Outstanding principal (HK$)	Outstanding interest (HK$)	Extended maturity date	The Company intends to finance the outstanding indebtedness
Bond #1	10,000,000	600,000 (to be paid by 31 December 2025), plus 210,000 (to be paid at maturity date)	15 April 2026 *(Note 1)*	The interest of HK$600,000 is expected to be paid by the net proceeds of the Subscription.
Bond #2	10,000,000	600,000 (to be paid by 31 December 2025), plus 300,000 (to be paid at maturity date)	10 June 2026 *(Note 2)*	The interest of HK$600,000 is expected to be paid by the net proceeds of the Subscription.
Bond #3	10,000,000	600,000 (to be paid by 14 January 2026), plus 300,000 (to be paid at maturity date)	14 July 2026 *(Note 3)*	The interest of HK$600,000 is expected to be paid by the net proceeds of the Subscription.
Bond #4	10,000,000	600,000 (to be paid at maturity date)	5 February 2026 *(Note 4)*	The principal and interest to be paid on the maturity date is expected to be paid by the net proceeds of the Subscription.

Item	Outstanding principal (HK$)	Outstanding interest (HK$)	Extended maturity date	The Company intends to finance the outstanding indebtedness
Bond #5	7,500,000	94,167 (to be paid by 2 January 2026), plus 300,000 (to be paid at maturity date)	2 January 2026 (HK$2,500,000) and 21 May 2026 (HK$5,000,000) *(Note 5)*	The principal of HK$2,500,000 and the interest of HK$94,167 are expected to be paid by the net proceeds of the Subscription.
Total amount:	47,500,000	3,604,167		

Notes:

1. The maturity date has been extended from 11 December 2024.
2. The maturity date has been extended from 11 December 2024.
3. The maturity date has been extended from 15 January 2025.
4. The maturity date has been extended from 5 February 2025.
5. The maturity date has been extended from 21 May 2025.

Set out below are the principal terms of the bonds:

Interest: 6% per annum, accrued daily on a 360-day basis and payable annually in arrears, up to the maturity date of the relevant bonds.

Nature: Straight bonds (i.e. not convertible or exchangeable) and unlisted.

The Company had considered other fundraising options, including the issuance of convertible bonds, rights issue, open offer or debt financing, apart from issue of new Shares under the Subscription. However, in view of the net liability position of the Group and its immediate and definite short-term funding needs, the Board considered it difficult to secure debt financing on acceptable terms. Equity financing was therefore regarded as the most viable option. Among equity financing methods, a fund-raising exercise via issue of new Shares is considered superior to a rights issue or open offer, as it is generally faster, more certain, more flexible, and more cost-effective. The amount of fund that can be raised by a rights issue or open offer depends to a large extent on whether the Company can secure an underwriter (which is extremely difficult due to the current net liability position of the Group) or alternatively whether the rights issue or open offer meets with sufficient participation from its existing Shareholders (which is highly uncertain as the shareholding of the Company is rather diverse and the trading volume of the Shares is low). Further, the time and transaction cost required to complete a rights issue or open offer are much higher than that to complete the Subscription. Accordingly, the Company ultimately decided to pursue the most direct method of fundraising via issue of new Shares.

The Directors consider that raising funds through the Subscription is justifiable in light of recent market conditions and that it represents a valuable opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. The Subscription also enlarges and broadens the shareholder base of the Company.

The Company will consider other fundraising options for satisfy the repayment schedule of the other outstanding bonds but no definitive plan has been identified as at the Latest Practicable Date.

The Directors consider that the Subscription Agreements are entered into upon normal commercial terms following arm's length negotiations between the Company and each of the Subscribers and that the terms of the Subscription Agreements are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

The Company will have sufficient working capital for the next 12 months, taking into account (i) the Group's current working capital position; (ii) the net proceeds of HK$19.72 million from the Subscription; and (iii) outstanding indebtedness, when due, can be extended subject to negotiation with the relevant creditors, and assuming that such extensions will be obtained.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company has conducted the following equity fund-raising activities in the past 12 months immediately before the Latest Practicable Date.

Date of announcement/ circular	**Fund raising activities**	**Net proceeds**	**Intended use of net proceeds**	**Actual use of net proceeds as at the Latest Practicable Date**
21 April 2025 (announcement)	Subscription of new Shares under the general mandate of the Company	HK$2.52 million	(i) repayment of indebtedness of the Group; and (ii) fund working capital of the Group (including staff salary and rental expenses)	Fully utilised as intended
21 April 2025 (announcement) 27 June 2025 (circular)	Subscription of the Convertible Bonds under a specific mandate of the Company	HK$40.67 million	(i) repayment of bank loan; and (ii) general working capital of the Group including staff cost and other office overhead of the Group for the year ending 31 December 2025	Fully utilised as intended

CHANGES OF SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company: (i) as at the Latest Practicable Date; (ii) immediately upon Completion of the Subscription but before any conversion of Convertible Bonds; and (iii) immediately after the full conversion of Convertible Bonds by the CB Holders (assuming that there are no other changes to the shareholding structure of the Company from the Latest Practicable Date up to the date of the SGM):

Shareholders	**At the Latest Practicable Date**		**Immediately upon Completion of the Subscription but before any conversion of Convertible Bonds** *(Note 1 & 2)*		**Immediately after the full conversion of Convertible Bonds by the CB Holders** *(Note 1)*	
	Number of Shares	*Approximate percentage*	*Number of Shares*	*Approximate percentage*	*Number of Shares*	*Approximate percentage*
Current substantial shareholder						
Great Virtue Holding Limited *(Note 3)*	4,688,000	13.47%	4,688,000	10.46%	–	–
CB Holders						
Providence Discovery Fund *(Notes 5 & 10)*	–	–	–	–	47,906,686	34.57%
Protoss Global Opportunities Fund *(Notes 4 & 10)*	–	–	–	–	31,243,491	22.55%
Mr. Bi Wei *(Notes 4 &10)*	–	–	–	–	4,165,799	3.01%
Mr. Li Yuhang *(Notes 6 & 10)*	–	–	–	–	10,414,497	7.52%
Sub-total of CB Holders	**–**	**–**	**–**	**–**	**93,730,473**	**67.65%**
Subscribers						
Subscriber A *(Note 7)*	–	–	2,500,000	5.58%	2,500,000	1.81%
Subscriber B *(Note 8 & 10)*	–	–	2,500,000	5.58%	2,500,000	1.81%
Subscriber C *(Note 9)*	–	–	5,000,000	11.16%	5,000,000	3.61%
Sub-total of Subscribers	**–**	**–**	**10,000,000**	**22.32%**	**10,000,000**	**7.23%**

Shareholders	At the Latest Practicable Date		Immediately upon Completion of the Subscription but before any conversion of Convertible Bonds *(Note 1 & 2)*		Immediately after the full conversion of Convertible Bonds by the CB Holders *(Note 1)*	
	Number of Shares	*Approximate percentage*	*Number of Shares*	*Approximate percentage*	*Number of Shares*	*Approximate percentage*
Other shareholders						
Great Virtue Holding Limited *(Note 3)*	–	–	–	–	4,688,000	3.38%
Mr. Bi Wei *(Note 4)*	2,901,104	8.33%	2,901,104	6.47%	2,901,104	2.09%
Providence Capital Group Limited *(Note 5)*	2,901,103	8.33%	2,901,103	6.47%	2,901,103	2.09%
Mr. Tsang Yik Hoi	2,023,231	5.81%	2,023,231	4.52%	2,023,231	1.46%
Other Shareholders	22,299,809	64.06%	22,299,809	49.76%	22,299,809	16.10%
Sub-total of other shareholders *(Notes 7, 8, 9 & 10)*	**30,125,247**	**86.53%**	**30,125,247**	**67.22%**	**34,813,247**	**25.12%**
Total	**34,813,247**	**100%**	**44,813,247**	**100%**	**138,543,720**	**100%**

Notes:

1. The above table is based on the assumption that none of the outstanding share options granted under the share option scheme adopted by the Company on 2 June 2015 and 30 May 2025 are exercised.

2. As at the Latest Practicable Date, no conversion rights under the Convertible Bonds have ever been exercised.

3. The entire issued share capital of Great Virtue Holding Limited ("**Great Virtue**") is beneficially owned by Mr. William Waileung Kong, and therefore, Mr. William Waileung Kong is deemed to be interested in the same number of Shares in which Great Virtue is interested under provisions of the SFO. Great Virtue will become a public shareholder of the Company in the event that its interest is reduced to below 10% as a result of full conversion of the Convertible Bonds.

4. The ultimate beneficial owner of Protoss Global Opportunities Fund is Mr. Bi Wei.

5. The investment manager of Providence Discovery Fund is Providence Capital Group Limited.

6. The ultimate beneficial owner of Subscriber B is Mr. Li Yuhang. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Li Yuhang is one of the CB holders, whose directly hold the Convertible Bonds which can be converted into 10,414,497 Shares.

7. Subscriber A will be counted as a public shareholder of the Company as its interest is below 10% as a result of the completion of the Subscription.

8. Subscriber B will be counted as a public shareholder of the Company as its interest is below 10% as a result of the completion of the Subscription.

9. Subscriber C will become a public shareholder of the Company in the event that its interest is reduced to below 10% as a result of full conversion of the Convertible Bonds.

10. Pursuant to the terms of the Convertible Bonds, the Company is not obliged to adjust the conversion price or issue Shares in satisfaction of the conversion rights attached to the Convertible Bonds in breach of the Company's obligations under the Listing Rules (including but not limited to the minimum public float requirement of the Listing Rules) or in breach of the Takeovers Code. Accordingly, the conversion of the Convertible Bonds is subject to the conditions that the conversion will not result in any breach of the minimum public float requirements under Rule 8.08(1)(a) the Listing Rules or the Takeovers Code. The Convertible Bonds will not be converted if it results or will result in the holders of the Convertible Bonds (or any of its parties acting in concert with it within the meaning of the Takeovers Code) being obliged to make a mandatory offer for all the Shares under the Takeovers Code unless (i) the mandatory offer obligations under the Takeovers Code have been complied with; or (ii) prior approval or waiver from the Executive of the Securities and Futures Commission, and (where so required) approval of the whitewash waiver by the Shareholders, have been obtained in accordance with the requirements of the Takeovers Code (and where any conditions to which such approval or waiver is subject are duly complied with).

11. The issue of the Subscription Shares will not trigger any adjustment to the conversion price under the terms of the Convertible Bonds.

12. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

SGM

The SGM will be convened and held at Conference Room, Unit 2703, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong on Monday, 29 December 2025 at 11 a.m. for the Shareholders to consider and, if thought fit, approve the Subscription and the transactions contemplated thereunder (including the grant of Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to the Subscribers). A notice convening the SGM is set out on pages SGM-1 to SGM-4 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar 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 and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll, except where the chairman of the SGM, 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. Therefore, all resolutions proposed at the SGM shall be voted by poll.

Shareholders who are involved in or interested in the Subscription will be required to abstain from voting in respect of the resolution(s) to approve the grant of the Specific Mandate to allot and issue the Subscription Shares pursuant to the Subscription Agreements and the transactions contemplated under the Subscription Agreements at the SGM. The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, no Shareholder has a material interest in the Subscription and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting under the Listing Rules on the resolution(s) to be proposed at the SGM to approve the Subscription Agreements and the transaction contemplated thereunder.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 22 December 2025 to Monday, 29 December 2025 (both days inclusive) during which period, no transfer of Shares will be registered. In order to be eligible to attend and vote at the SGM, 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 December 2025.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particular 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 is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board (including the independent non-executive Directors) is of the view that the terms and conditions of the Subscription Agreements and the transactions contemplated thereunder including but not limited to the issue of the Subscription Shares are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Subscription Agreements and the transactions contemplated thereunder.

GENERAL INFORMATION

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By order of the Board
Daido Group Limited
He Xinyu
Executive Director

DAIDO GROUP LIMITED
大同集團有限公司*

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

(Stock Code: 00544)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**Meeting**") of Daido Group Limited (the "**Company**") will be held at Conference Room, Unit 2703, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong on Monday, 29 December 2025 at 11 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**

(a) the conditional subscription agreement dated 31 October 2025 (the "**Subscription Agreement A**") entered into between China Aviation Development Limited as subscriber ("**Subscriber A**") and the Company as issuer, pursuant to which Subscriber A has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 2,500,000 subscription shares (the "**Subscription Shares A**"), at the subscription price of HK$2.00 per Subscription Share A (a copy of the Subscription Agreement A having been produced at the SGM and marked "A" and initialed by the chairman of the SGM for the purpose of identification) and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares A) be and are hereby approved, confirmed and/or ratified and approved and any directors of the Company (the "**Directors**") be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the implementation of and give effect to the Subscription Agreement A and the transactions contemplated thereunder;

(b) the Directors hereby be granted by a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares A in accordance with the terms and conditions of the Subscription Agreement A; and

* *For identification purposes only*

(c) any Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements (whether under common seal or not) and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in the Subscription Agreement A and the transactions contemplated thereunder as he/she/they may in his/her/their absolute discretion consider necessary, desirable or expedient to give effect to the Subscription Agreement A and the implementation of all transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, necessary or desirable."

2. "**THAT**

(a) the conditional subscription agreement dated 31 October 2025 (the "**Subscription Agreement B**") entered into between Voyage Capital Holdings Limited as subscriber ("**Subscriber B**") and the Company as issuer, pursuant to which Subscriber B has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 2,500,000 subscription shares (the "**Subscription Shares B**"), at the subscription price of HK$2.00 per Subscription Share B (a copy of the Subscription Agreement B having been produced at the SGM and marked "B" and initialed by the chairman of the SGM for the purpose of identification) and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares B) be and are hereby approved, confirmed and/or ratified and approved and any Directors be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the implementation of and give effect to the Subscription Agreement B and the transactions contemplated thereunder;

(b) the Directors hereby be granted by a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares B in accordance with the terms and conditions of the Subscription Agreement B; and

(c) any Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements (whether under common seal or not) and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in the Subscription Agreement B and the transactions contemplated thereunder as he/she/they may in his/her/their absolute discretion consider necessary, desirable or expedient to give effect to the Subscription Agreement B and the implementation of all transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, necessary or desirable."

3. "**THAT**

(a) the conditional subscription agreement dated 31 October 2025 (the "**Subscription Agreement C**") entered into between Hong Kong Gold and Jewelry Accessories Group Limited as subscriber ("**Subscriber C**") and the Company as issuer, pursuant to which Subscriber C has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 5,000,000 subscription shares (the "**Subscription Shares C**"), at the subscription price of HK$2.00 per Subscription Share C (a copy of the Subscription Agreement C having been produced at the SGM and marked "C" and initialed by the chairman of the SGM for the purpose of identification) and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares C) be and are hereby approved, confirmed and/or ratified and approved and any Directors be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the implementation of and give effect to the Subscription Agreement C and the transactions contemplated thereunder;

(b) the Directors hereby be granted by a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares C in accordance with the terms and conditions of the Subscription Agreement C; and

(c) any Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements (whether under common seal or not) and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in the Subscription Agreement C and the transactions contemplated thereunder as he/she/they may in his/her/their absolute discretion consider necessary, desirable or expedient to give effect to the Subscription Agreement C and the implementation of all transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, necessary or desirable."

By order of the Board
Daido Group Limited
He Xinyu
Executive Director

Hong Kong, 5 December 2025

Registered office:
Clarendon House
2 Church Street Hamilton
HM11 Bermuda

Principal place of business in Hong Kong:
Unit 2703, 27/F
Tower 1, Admiralty Centre
18 Harcourt Road
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 Monday, 29 December 2025, 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 December 2025

   Closure of register of members . . . . . Monday, 22 December 2025 to Monday, 29 December 2025 (both days inclusive)

   Record date . . . . . Monday, 29 December 2025

   During the above closure period, no transfer of shares of the Company ("**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 (if holding two or more Shares) 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. 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 so wish, and in such event, the form of proxy shall be deemed to be revoked.

5. 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.

6. 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 and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the Company of the date, time and place of the rescheduled Meeting.

7. Pursuant to the Listing Rules, all resolutions set out in the notice of the Meeting will be decided by poll at the Meeting.

8. As at the date hereof, the Board comprises executive Director, namely, Mr. He Xinyu; Non-executive Director, namely, Ms. Kwan Nga Chung; and Independent Non-executive Directors, namely, Mr. Leung Chi Hung, Ms. Li Dan and Mr. Lo Chi Wang.