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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 GENERAL MANDATE

The Board is pleased to announce that on 29 July 2026 (after the Stock Exchange trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price.

The Subscription Shares represent (i) approximately 19.76% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 16.50% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no changes in the total number of issued Shares between the date of this announcement and the allotment and issue of the Subscription Shares.

Completion of the Subscription Agreement is conditional upon, among other things, the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Shares will be issued under the General Mandate and are not subject to the Shareholders' approval.

It is expected that the aggregate gross proceeds of the Subscription will be HK\$10.0 million and the aggregate net proceeds of the Subscription, after the deduction of all professional fees and related expenses, is estimated to be approximately HK\$10.0 million. The net proceeds are intended to be applied for the general working capital of the Group, including, but not limited to, staff costs, rental payments for offices and premises, and other administrative expenses.

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

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

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The principal terms of the Subscription Agreement are as follows:

Date

29 July 2026 (after the Stock Exchange trading hours)

Parties

- (i) the Company; and
- (ii) the Subscriber

The Subscriber has conditionally agreed to subscribe for the Subscription Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties.

Number of Subscription Shares

The Subscriber will subscribe for 10,000,000 Subscription Shares, representing (i) approximately 19.76% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 16.50% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no changes in the total number of issued Shares between the date of this announcement and the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$1,000,000 and the market value of the Subscription Shares is approximately HK\$7,500,000, based on the closing price of HK\$0.75 per Share on the date of the Subscription Agreement.

Subscription Price

The Subscription Price of HK\$1 per Subscription Share represents

- (i) a premium of approximately 33.33% to the closing price of HK\$0.75 per Share as quoted on the Stock Exchange on 29 July 2026, the date of the Subscription Agreement; and
- (ii) a premium of approximately 18.20% to the average closing price of approximately HK\$0.846 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The net Subscription Price (after deduction of all professional fees and related expenses) is estimated to be approximately HK\$1 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to, among other things, the prevailing market price of the Shares and the market conditions, and the funding needs and financial position of the Group. The Subscription Price for the 10,000,000 Subscription Shares is HK\$10.0 million, which shall be satisfied by the Subscriber by payment to the Company in cash upon completion of the Subscription.

Ranking of the Subscription Shares

The Subscription Shares when allotted and issued, shall rank *pari passu* in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Subscription Shares including all dividends declared or payable or distribution made or proposed on or after the date of completion of the Subscription.

Conditions precedent

Completion of the Subscription Agreement is conditional upon the fulfilment of the following conditions on or before the Long Stop Date:

- (a) the Board having passed and approved the Subscription Agreement and the transactions contemplated hereunder;
- (b) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Subscription Shares and such approval and permission having not subsequently been revoked or withdrawn prior to the commencement of dealings in the Subscription Shares on the Stock Exchange;
- (c) the allotment, issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule, regulation, ruling, directive or request promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority (including the Stock Exchange and the Securities and Futures Commission of Hong Kong) which is applicable to the Company;
- (d) the representations and warrants given by the parties under the Subscription Agreement being true and accurate and not misleading when made and remaining true and accurate and not misleading until the date of completion of the Subscription; and
- (e) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained.

None of the conditions set out above may be waived by the Company or the Subscriber. If the conditions set out above are not fulfilled on or before the Long Stop Date, the Subscription Agreement shall terminate and neither of the parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of such Subscription Agreement.

General Mandate

The Subscription Shares will be issued under the General Mandate approved on 30 June 2026 and are not subject to the Shareholders' approval. The maximum number of Shares that can be issued under the General Mandate is 10,123,091 Shares, being 20% of the total number of Shares in issue as at the date of the annual general meeting of the Company held on 30 June 2026.

As at the date of this announcement, the Company has not allotted or issued any Shares under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Subscription Shares. Accordingly, the allotment and issue of the Subscription Shares are not subject to Shareholders' approval. The General Mandate will be utilized as to approximately 98.78% upon the allotment and issue of all the Subscription Shares.

As completion of the Subscription is subject to the fulfilment of the conditions precedent as stated in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INFORMATION ON THE SUBSCRIBER

Victoria Sight Capital Group Limited is a company incorporated in the British Virgin Islands with limited liability. It mainly engages in investment holding. The ultimate beneficial owner of Victoria Sight Capital Group Limited is Mr. Zhang Zhang (張璋).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES

Application(s) will be made by the Company to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION AND THE 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.

The gross proceeds and net proceeds of the Subscription are approximately HK\$10.0 million and HK\$10.0 million, respectively. It is intended that the net proceeds of the Subscription will be applied for the 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 December 2026.

The Directors consider that the Subscription represents an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position, and enlarge shareholder base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fundraising.

The Directors (including all independent non-executive Directors) consider that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following fund-raising activity involving issue of securities in the twelve (12) months before the date of this announcement:

Date of announcement	Fund-raising Activities	Net proceeds	Intended use of net proceeds	Actual use of net proceeds (as at the date of this announcement)
31 October 2025	Subscription of new Shares under the specific mandate of the Company (completed on 31 December 2025)	HK\$19.72 million	(i) repayment of bonds; and (ii) general working capital of the Group, including, but not limited to, staff costs, rental payments for offices and premises, and other administrative expenses	Fully utilised as intended
27 April 2026	Subscription of new Shares under the general mandate of the Company (completed on 30 April 2026)	HK\$11.40 million	(i) repayment of indebtedness of the Group; and (ii) general working capital of the Group, including, but not limited to, staff costs, rental payments for offices and premises, and other administrative expenses.	Fully utilised as intended

Save as disclosed above, the Company had not conducted any fund-raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company: (i) as at the date of this announcement; (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 date of this announcement):

Shareholders	At the date of this announcement		Immediately upon completion of the Subscription but before any conversion of Convertible Bonds (Notes 1 & 2)		Immediately after the full conversion of Convertible Bonds by the CB Holders (Notes 1 & 2)	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Current substantial shareholder						
China Agricultural Science International Holding Co., Limited (Note 6)	5,802,208	11.46%	—	—	—	—
CB Holders						
Providence Discovery Fund (Notes 3 & 7)	—	—	—	—	47,906,686	31.04%
Protoss Global Opportunities Fund (Notes 4 & 7)	—	—	—	—	31,243,491	20.24%
Mr. Bi Wei (Notes 4 & 7)	—	—	—	—	4,165,799	2.70%
Mr. Li Yuhang (Notes 5 & 7)	—	—	—	—	10,414,497	6.75%
Sub-total of CB Holders	—	—	—	—	93,730,473	60.73%
Subscriber	—	—	10,000,000	16.50%	10,000,000	6.48%
Other shareholders						
China Agricultural Science International Holding Co., Limited (Note 6)	—	—	5,802,208	9.57%	5,802,208	3.76%
Voyage Capital Holdings Limited (Note 5)	1,500,000	2.96%	1,500,000	2.47%	1,500,000	0.97%
Mr. Bi Wei (Note 4)	2,901,104	5.73%	2,901,104	4.79%	2,901,104	1.88%
Providence Capital Group Limited (Note 3)	2,901,103	5.73%	2,901,103	4.79%	2,901,103	1.88%
Mr. Tsang Yik Hoi	2,023,231	4.00%	2,023,231	3.34%	2,023,231	1.31%
Other Shareholders	35,487,809	70.11%	35,487,809	58.55%	35,487,809	22.99%
Sub-total of other shareholders	44,813,247	88.54%	50,615,455	83.50%	50,615,455	32.79%
Total:	50,615,455	100%	60,615,455	100%	154,345,928	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 date of this announcement, no conversion rights under the Convertible Bonds have ever been exercised.
3. The investment manager of Providence Discovery Fund is Providence Capital Group Limited.
4. The ultimate beneficial owner of Protoss Global Opportunities Fund is Mr. Bi Wei.
5. The ultimate beneficial owner of Voyage Capital Holdings Limited 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, who directly holds the Convertible Bonds which can be converted into 10,414,497 Shares.
6. China Agricultural Science International Holding Co., Limited is ultimately beneficially owned as to 50% by Mr. Liu Weitao and 50% by Mr. Ding Yi.
7. 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) of 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).
8. The issue of the Subscription Shares will not trigger any adjustment to the conversion price under the terms of the Convertible Bonds.
9. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company convened and held on 30 June 2026 to approve, among other things, the grant of the General Mandate
“Board”	the board of Directors
“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
“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 in the Company’s circular dated 27 June 2025
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue and deal with Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong” or “HKSAR”	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) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
“Last Trading Day”	29 July 2026, being the last full trading day in the Shares prior to the date of the Subscription Agreement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date upon the expiry of one month from the date of the Subscription Agreement, or such other date as the parties may agree in writing
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 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
“Subscriber”	Victoria Sight Capital Group Limited
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional agreement dated 29 July 2026 and entered into between the Company and Subscriber in respect of the Subscription
“Subscription Price”	HK\$1 per Subscription Share
“Subscription Shares”	an aggregate of 10,000,000 new Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent

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

Hong Kong, 29 July 2026

As at the date of this announcement, 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.

* *For identification purposes only*