DAIDO GROUP LIMITED
大同集團有限公司*

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

(Stock Code: 00544)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board of Directors (the "**Board**") of Daido Group Limited (the "**Company**") would like to report the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025. The interim financial results have been reviewed by the Audit Committee of the Company but have not been reviewed or audited by the auditor of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	4		
– Provision of cold storage and related services		**70,257**	67,484
– Trading and sales of food and beverage		**4,434**	9,017
– Others		**84**	124
Total revenue		**74,775**	76,625
Cost of revenue		**(66,361)**	(72,774)

* For identification purpose only

	Notes	Six months ended 30 June 2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Gross profit		**8,414**	3,851
Other income	5	**1,033**	2,997
Other (losses)/gains, net	6	**(151)**	68
Reversal of impairment on trade and other receivables, net		**137**	132
Selling and distribution expenses		**(4,330)**	(4,646)
Administrative expenses		**(19,755)**	(18,095)
Finance costs	7	**(19,878)**	(21,237)
Loss before tax		**(34,530)**	(36,930)
Income tax expense	8	**–**	–
Loss for the period attributable to equity holders of the Company		**(34,530)**	(36,930)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**124**	319
Item that may not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligations		**12**	(63)
Total other comprehensive income		**136**	256
Total comprehensive loss for the period attributable to equity holders of the Company		**(34,394)**	(36,674)
Loss per share attributable to equity holders of the Company	10		
Basic		**(HK$0.74)**	(HK$1.27)
Diluted		**(HK$0.74)**	(HK$1.27)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	Notes	**At 30 June 2026** ***HK$'000*** **(unaudited)**	At 31 December 2025 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**2,387**	2,724
Right-of-use assets		**378,714**	413,542
Goodwill		**68**	68
Rental deposits paid		**14,731**	14,191
Pledged bank deposits		**1,450**	1,700
		397,350	432,225
Current assets			
Inventories		**145**	528
Trade and other receivables, deposits and prepayments	11	**24,742**	39,011
Bank and cash balances		**16,897**	13,117
		41,784	52,656
Current liabilities			
Trade and other payables	12	**19,497**	15,968
Contract liabilities		**4,721**	5,193
Lease liabilities		**60,346**	58,440
Bonds payables		**50,000**	67,500
		134,564	147,101
Net current liabilities		**(92,780)**	(94,445)
Total assets less current liabilities		**304,570**	337,780

	Notes	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Non-current liabilities			
Lease liabilities		**334,375**	365,155
Convertible bonds		**35,991**	35,991
Shareholder loan		**20,000**	–
Defined benefit obligations		**2,961**	2,689
		393,327	403,835
NET LIABILITIES		**(88,757)**	(66,055)
Capital and reserves			
Attributable to equity holders of the Company			
Share capital	13	**5,062**	4,481
Reserves		**(93,819)**	(70,536)
TOTAL DEFICITS		**(88,757)**	(66,055)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The condensed consolidated financial statements do not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards.

Going concern

The condensed consolidated financial statements have been prepared on the historical cost convention.

In preparing the condensed consolidated financial statements, the directors of the Company (the "**Directors**") have given careful consideration of the future liquidity of the Group in light of the fact that the Group incurred a net loss of approximately HK$34,530,000 for the six months ended 30 June 2026 and, as at that date, the Group's current liabilities exceed its current assets by approximately HK$92,780,000 and its total liabilities exceed its total assets of approximately HK$88,757,000 as at 30 June 2026. The Group is exposed to liquidity risk if it is not able to raise sufficient funds to meet its financial obligations. The Directors considered that the net current liabilities and net liabilities positions of the Group as of 30 June 2026 were primarily due to the bonds payables amounting to HK$50,000,000 which are due for repayment within twelve months after 30 June 2026.

The Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of the condensed consolidated statement of financial position, after taking into consideration the following:

(1) the Group is negotiating with the bondholders, who have a history of extending the repayment schedules of the bonds payable by the Group, to further extend the repayment schedules;

(2) the Group is actively negotiating with potential investors to secure new equity or debt financing to meet the Group's working capital and financial requirements in the near future;

(3) the Group is actively expanding new service capabilities to enhance the revenue generation potential of its existing businesses; and

(4) the Group is actively exploring diversification opportunities as an extension of its existing businesses and core expertise, to introduce new sources of revenue of the Group.

The Directors have carefully reviewed the cash flow projection of the Group covering a period of not less than the next twelve months from the date of the condensed consolidated statement of financial position of the Group prepared by management, on the basis that the above measures are successfully implemented. The Directors are of the opinion that, in the light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient financial resources to satisfy its future working capital and other financing requirements.

However, should the Group not be able to implement the above measures successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively and to provide for any further liabilities which might arise.

2. PRINCIPAL ACCOUNTING POLICIES

Except for the adoption of amendments to HKFRS Accounting Standards, during the current reporting period the accounting policies applied in the condensed consolidated financial statements for the six months ended 30 June 2026 are consistent with those presented in the Group's annual financial statements for the year ended 31 December 2025.

Adoption of new and amendments to HKFRS Accounting Standards

In the current reporting period, the Group has adopted the following amendments to HKFRS Accounting Standards, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11

The amendments to HKFRS Accounting Standards in the current reporting period have had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not early adopted any new and amended HKFRS Accounting Standards that have been issued but are not yet effective for the current reporting period.

3. SEGMENT INFORMATION

The executive Director has been identified as the chief operating decision maker to evaluate the performance of operating segments and to allocate resources to those segments.

Based on risks and returns and the Group's internal financial reporting, the executive Director considers that the operating segments of the Group comprise:

(i) Cold storage and related services in Hong Kong; and

(ii) Trading and sales of food and beverage in the People's Republic of China (the "**PRC**") and Hong Kong.

In addition, the executive Director considers that the Group's place of domicile is Hong Kong, where the central management and control is located.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

Six months ended 30 June 2026 (unaudited)

	Cold storage and related services *HK$'000*	**Trading and sales of food and beverage** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue	**70,257**	**4,434**	**74,691**
Segment results	**(14,588)**	**(2,385)**	**(16,973)**
Unallocated other revenue			**84**
Unallocated other income			**21**
Unallocated other gains, net			**5**
Unallocated recovery of loss allowance on other receivables			**56**
Unallocated finance costs			**(4,493)**
Unallocated expenses			**(13,230)**
Loss before tax			**(34,530)**

Six months ended 30 June 2025 (unaudited)

	Cold storage and related services *HK$'000*	Trading and sales of food and beverage *HK$'000*	Consolidated *HK$'000*
Segment revenue	67,484	9,017	76,501
Segment results	(24,528)	(2,225)	(26,753)
Unallocated other revenue			124
Unallocated other income			31
Unallocated other losses, net			(43)
Unallocated finance costs			(2,486)
Unallocated expenses			(7,803)
Loss before tax			(36,930)

Segment results, which are the measures reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance, represent the profit earned or loss incurred by each segment without allocation of certain other revenue, other income, central administration costs (including certain auditor's remuneration, certain depreciation of right-of-use assets and property, plant and equipment and directors' remuneration) and certain finance costs and if applicable, certain other gains and losses, net.

Geographical information

The Group's operations are located in Hong Kong and the PRC.

Information about the Group's revenue from external customers by geographical locations is set forth below:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong	**70,341**	67,616
The PRC	**4,434**	9,009
	74,775	76,625

4. REVENUE

Revenue is analysed by categories as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers within HKFRS 15		
Provision of cold storage and related services		
– Cold storage services	**61,278**	58,818
– Handling services	**1,201**	884
– Logistic services	**7,778**	7,782
	70,257	67,484
Trading and sales of food and beverage	**4,434**	9,017
	74,691	76,501
Other revenue	**84**	124
Total revenue	**74,775**	76,625

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Timing of revenue recognition		
At a point in time	**4,434**	9,017
Over time	**70,257**	67,484
	74,691	76,501

5. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Imputed interest income on rental deposits paid	**538**	487
Interest income from bank deposits	**2**	26
Other services income	**457**	2,455
Sundry income	**36**	29
	1,033	2,997

6. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Exchange losses, net	**–**	(78)
Gains on disposal/write-off of property, plant and equipment, net	**6**	110
Others	**(162)**	–
Recovery of loan receivables	**5**	36
	(151)	68

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expense on a bank borrowing	**–**	1,323
Interest expense on bonds payables	**1,764**	2,475
Interest expense on convertible bonds	**2,629**	–
Interest expense on lease liabilities	**15,477**	17,388
Interest expense on defined benefit obligations	**8**	51
	19,878	21,237

8. INCOME TAX EXPENSES

Hong Kong Profits Tax

Hong Kong Profits Tax at the rate of 16.5% has not been provided as certain Group entities' estimated assessable profits were absorbed by unrelieved tax losses brought forward from previous years and certain Group's entities incurred losses for taxation purposes in Hong Kong for the six months ended 30 June 2026 and 2025.

Income taxes outside Hong Kong

The Company and its subsidiaries established in Bermuda and the British Virgin Islands respectively are exempted from the enterprise income tax of their respective jurisdictions.

The Group's operations in the PRC are subject to the PRC's enterprise income tax at 25% (six months ended 30 June 2025: 25%).

9. DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 June 2026 (six months ended 30 June 2025: nil). The Directors have determined that no dividend will be paid in respect of the current interim period (six months ended 30 June 2025: nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to equity holders of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss		
Loss for the period attributable to equity holders of the Company	**(34,530)**	(36,930)
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares *(Note a)*	**46,801**	29,011

Notes:

(a) The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the six months ended 30 June 2025 has been adjusted, taking into account the share consolidation on 16 July 2025.

For the six months ended 30 June 2026, the Company's dilutive potential shares comprise shares to be issued under convertible bonds and share option scheme (six months ended 30 June 2025: share option scheme). The potential ordinary shares were not included in the calculation of the diluted loss per share as they are anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2026 and 2025 is the same as basic loss per share.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

At 30 June 2026, included in trade and other receivables, deposits and prepayments are trade receivables, net of allowances, of approximately HK$20,161,000 (31 December 2025: approximately HK$19,271,000).

The Group does not allow any credit period to its trade debtors except for certain customers who are allowed for credit period ranged from 30 to 60 days. At the end of the reporting period, the ageing analysis of the trade receivables (net of loss allowances) by invoice date is as follows:

	At 30 June 2026	At 31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 30 days	**11,593**	12,973
31 to 60 days	**4,099**	4,476
61 to 90 days	**2,077**	630
91 to 120 days	**1,088**	106
More than 120 days	**1,304**	1,086
	20,161	19,271

At 30 June 2026, included in the carrying amounts of trade receivables are loss allowances of approximately HK$80,000 (31 December 2025: approximately HK$161,000).

12. TRADE AND OTHER PAYABLES

At 30 June 2026, included in trade and other payables are trade payables of approximately HK$2,846,000 (31 December 2025: approximately HK$3,003,000).

Except for certain trade creditors who allowed the Group with 30 days credit period, no credit period is generally allowed by trade creditors and no interest is charged by trade creditors. At the end of the reporting period, the ageing analysis of the trade payables by invoice date is as follows:

	At 30 June 2026	At 31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 30 days	**1,977**	2,096
31 to 60 days	**476**	616
61 to 90 days	**286**	283
91 to 120 days	**3**	1
More than 120 days	**104**	7
	2,846	3,003

13. SHARE CAPITAL

	Number of shares (unaudited) *'000*	Ordinary shares of HK$0.10 each (unaudited) *HK$'000*
Authorised:		
At 31 December 2025, 1 January 2026 and 30 June 2026	**6,000,000**	600,000
Issued and fully paid:		
At 31 December 2025 and 1 January 2026	**44,813**	4,481
Share subscription *(Note a)*	**5,802**	581
At 30 June 2026	**50,615**	5,062

All the shares issued by the Company rank pari passu and do not carry pre-emptive rights.

Note a

On 27 April 2026, the Company entered into a subscription agreement with China Agricultural Science International Holding Co., Limited (the "Subscriber"), pursuant to which the Subscriber conditionally agreed to subscribe for 5,802,208 subscription shares at a subscription price of HK$2.0 per subscription share under the general mandate. The subscription of new shares was completed on 30 April 2026.

14. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(1) Share Subscription

On 29 July 2026, the Company entered into a subscription agreement with Victoria Sight Capital Group Limited, pursuant to which the subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 10,000,000 subscription shares at a subscription price of HK$1.0 per subscription share under the general mandate. The subscription of new shares was completed on 10 August 2026.

(2) Conversion of convertible bonds

On 25 August 2026, the Company received conversion notices from four holders of the convertible bonds in respect of the exercise of the conversion rights attaching thereto. Pursuant to such conversion notices, convertible bonds with an aggregate principal amount of approximately HK$30.3 million were partially converted at a conversion price of HK$0.4801 per share. On 26 August 2026, the Company allotted and issued an aggregate of 63,075,000 new shares accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL RESULTS

Daido Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") is principally engaged in (i) cold storage and related services business in Hong Kong; and (ii) the trading and sale of food and beverage products primarily in Mainland China.

For the six months ended 30 June 2026 (the "**Period**"), the Group's total revenue amounted to approximately HK$74.8 million, representing a slight decrease of about 2.4% compared with approximately HK$76.6 million for the six months ended 30 June 2025 (the "**Previous Period**").

For the Period, the Group recorded a loss attributable to the equity holders of the Company of approximately HK$34.5 million, compared with approximately HK$36.9 million for the Previous Period, representing a decrease of approximately HK$2.4 million.

The Board considers that the loss was primarily attributable to (i) the decrease from the trading and sales of food and beverage business in Mainland China by approximately 50.8%, mainly resulting from the Group's strategic reallocation of focus toward strengthening its cold storage and related services business during the current period; and (ii) the decline in non-recurring other service income by approximately 81.4%.

REVIEW OF OPERATING SEGMENTS

COLD STORAGE AND RELATED SERVICES OPERATIONS

During the Period, the Group continued to operate in a highly competitive market environment for cold storage and related services business in Hong Kong. In order to broaden its client portfolio and enhance market penetration, the Group adjusted its service pricing strategy during the Period. As a result, revenue from the Group's cold storage and related services increased from approximately HK$67.5 million for the Previous Period to approximately HK$70.3 million for the Period, representing an increase of approximately 4.1%.

Notwithstanding the competitive market conditions, certain indicators suggested a modest improvement in Hong Kong's food and beverage sector. In particular, restaurant receipts recorded modest year-on-year growth during the first half of 2026. The Board remains cautiously optimistic about the outlook for the cold storage and related services business, given the essential role of temperature-controlled storage and distribution in supporting the food supply chain.

Looking ahead, the Group will continue to strengthen the operational synergies between its cold storage and related services segment. By delivering integrated end-to-end services to both internal and external clients, the Group aims to improve inventory turnover, reduce operating costs, and enhance the resilience and efficiency of its overall supply chain.

TRADING AND SALES OF FOOD AND BEVERAGES

During the Period, the Group's revenue from its trading and sales of food and beverage business in the Mainland China amounted to approximately HK$4.4 million, representing a decrease of approximately 50.8% compared with approximately HK$9.0 million for the Previous Period.

The decrease in revenue was principally attributable to the Group's continued streamlining of its participation in the food and beverage trading and sales segment during the Period. In view of the challenging market environment, the Group remained focused on preserving operational flexibility and prudently managing business risks. Accordingly, the level of operations in this segment during the Period was lower than that in the Previous Period, resulting in a decrease in revenue.

PROSPECTS

Looking ahead to the second half of 2026, the Group will continue to strengthen its core cold storage and related services operations while prudently extending its capabilities that build on its established expertise.

COLD STORAGE AND RELATED SERVICES: STRENGTHENING CORE CAPABILITIES AND ENHANCING COMPETITIVENESS

Looking ahead, the Group will continue to consolidate its market-leading position in Hong Kong by its extensive industry experience and operational expertise accumulated over the years. In addition to serving its existing customer base, the Group is actively expanding its network of strategic partners in Mainland China with the aim of broadening its market reach and capturing operational synergies.

The Group also continues to pursue the establishment of an integrated, end-to-end service ecosystem encompassing cold chain logistics, premium cold storage, and comprehensive unpacking and packaging services. To further enhance its value proposition and diversify the income streams of its existing storage and logistics business, the Group is actively exploring opportunities to integrate food procurement and distribution solutions into its service offerings.

This comprehensive supply chain capability and the provision of value-added services are expected to serve as key drivers in securing large-scale enterprise clients and fostering long-term partnerships. Management believes that such strategic partnerships will enhance the Group's overall competitiveness and resilience.

In parallel, the Group remains committed to advancing sustainable practices across its cold chain operations, including energy-efficient refrigeration upgrades, the exploration of low-carbon refrigerants, and the integration of renewable energy sourcing where feasible. These initiatives align with Hong Kong's carbon neutrality goals, enhance the Group's appeal to environmentally conscious clients, and support long-term cost optimisation.

PRUDENT EXPLORATION OF NEW GROWTH DRIVERS

While the Group continues to strengthen the resilience of its existing businesses and operations, it is actively exploring opportunities to develop new growth drivers to diversify its revenue base and support sustainable growth.

By leveraging its core expertise in service and trading operations, the Group is actively evaluating new revenue streams arising from potential opportunities in AI-related solutions and services, which complement and extend its existing service capabilities.

Nevertheless, the Group remains committed to prudent financial management and disciplined capital allocation as it pursues these growth initiatives, while continuing to closely monitor market conditions and regulatory developments to safeguard the interests of its shareholders.

Going forward, the Group will continue to draw on its extensive industry expertise, consumer insights and market intelligence to refine its product and service offerings in response to evolving market conditions. While operating challenges and uncertainties are expected to persist, the Group remains committed to enhancing operational efficiency, reinforcing its competitive position, and pursuing opportunities that support sustainable long-term development. Management will continue to closely monitor market trends and evaluate potential collaboration and business opportunities with a view to creating sustainable value for the Group and its shareholders.

FINANCIAL REVIEW

Liquidity and financial resources

At 30 June 2026, the Group had bank and cash balances of approximately HK$16.9 million (31 December 2025: approximately HK$13.1 million), which were denominated in Hong Kong dollars ("**HK$**") and Renminbi ("**RMB**") as to approximately 96.0% and 4.0% (31 December 2025: approximately 89.1% and 10.9%), respectively.

The Group monitors capital using a gearing ratio, which is calculated as total borrowings divided by total deficit. Total borrowings includes bonds payables, convertible bonds and shareholder loan. The gearing ratio was approximately -119.4% as at 30 June 2026 (31 December 2025: approximately -156.7%). The decrease was primarily attributable to the increase in total deficit as a result of operating loss, which partially offset by share subscription during the Period.

Bonds payables

In 2014 and 2015, the Company issued bonds with aggregate principal amount of HK$100 million (the "**Original Bonds**"). The bonds bear interest at 6% per annum and are payable annually in arrears, up to the maturity date of the relevant bonds.

In 2023 and 2024, the Company agreed to issue the bonds (the "**2023 Bonds**") and (the "**2024 Bonds**") and bondholders agreed to accept the 2023 Bonds and 2024 Bonds in place of the Original Bonds in the principal amount of HK$40 million and HK$60 million, respectively.

Certain of the 2023 Bonds and 2024 Bonds were matured and the Company has settled such bonds in the principal amount of HK$17.5 million (year ended 31 December 2025: HK$17.5 million) during the six months ended 30 June 2026. At 30 June 2026, the aggregate principal amount of bonds remaining outstanding was HK$50.0 million (31 December 2025: HK$67.5 million). As at 30 June 2026, except for one bond that matured on 10 June 2026, all remaining bonds are due between July and December 2026 (31 December 2025: January 2026 to August 2026). To ensure adequate working capital for daily operation, management is actively negotiating bond extensions with bondholders.

Convertible bonds

On 20 April 2025, the Company entered into three separate convertible bonds subscription agreements (the "**CB Subscription Agreements**") with YuYu Future Investment Limited, Protoss Global Opportunities Fund and Providence Discovery Fund (collectively, the "**CB Subscribers**") respectively. Each being an independent third party, pursuant to which each CB Subscriber conditionally agreed to subscribe for convertible bonds with a principal amount of HK$15 million, for an aggregate principal amount of HK$45 million (the "**Convertible Bonds**"). The Convertible Bonds bear interest at 6% per annum and carry a maturity of three years from the initial issue date, extendable to five years subject to the holder's written consent. The holders are entitled to convert all or part of the principal amount into shares at an initial conversion price of HK$0.4801 per share (as adjusted by share consolidation in July 2025). Based on this conversion price, a maximum of 93,730,472 conversion shares (as adjusted by share consolidation in July 2025) may be issued upon full exercise of the conversion rights attached to the Convertible Bonds, representing a maximum nominal value of approximately HK$9.4 million.

On 21 July 2025, all conditions precedent under the CB Subscription Agreements were fulfilled and the Convertible Bonds were issued to the CB Subscribers accordingly. For further details, please refer to the announcements of the Company dated 21 April 2025 and 21 July 2025 and the circular of the Company dated 27 June 2025.

Shareholder loan

In June 2026, the Company entered into a loan agreement with Liu Weitao, the ultimate beneficial owner of a shareholder of the Company, of HK$20.0 million. The loan bears a fixed interest rate of 6% per annum, unsecured and repayable in June 2028.

In managing the liquidity risk, the Group monitors and maintains a level of bank and cash balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on funds generated from operations and fund raising activities.

With the amount of liquid assets on hand and unutilised loan facility, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational needs.

Share capital structure

Pursuant to a subscription agreement dated 27 April 2026 entered into between the Company and the subscriber for the subscription of an aggregate of 5,802,208 subscription shares at the subscription price of HK$2.00 per subscription share. The subscription of new shares was completed on 30 April 2026. An aggregate of 5,802,208 new shares were issued and allotted under general mandate at the subscription price of HK$2.00 per subscription share. Particulars of the subscription of new shares were set out in the Company's announcements dated 27 April 2026 and 30 April 2026.

Save for the aforementioned share subscription in April 2026, there is no material change in the capital structure of the Company during the Period. At 30 June 2026, the total issued share capital of the Company was approximately HK$5,062,000 (31 December 2025: HK$4,481,000) divided into 50,615,455 ordinary shares (31 December 2025: 44,813,247 ordinary shares) with a par value of HK$0.1 each. The capital of the Company comprises only ordinary shares.

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the value of the shareholders of the Company. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may issue new shares, obtain bank and other borrowings, or sell assets to reduce debt.

Exposure to fluctuations in exchange rates and related hedges

Monetary assets and liabilities of the Group are principally denominated in HK$. The Directors consider the Group's exposure to exchange rate risks to be low.

The Group did not resort to any foreign currency hedging facilities during the Period. Nevertheless, the management will continue to monitor its foreign exchange exposure and will consider implementing appropriate hedging strategies for any significant foreign currency risks as they arise.

Charges on assets

At 30 June 2026, a bank provides the Group with banking facilities which represented guarantees provided in favour of the Group's cold storage business to the extent of HK$3.5 million (31 December 2025: HK$3.5 million) and are secured by bank deposits amounting to HK$1.45 million (31 December 2025: HK$1.7 million). At 30 June 2026, the utilised banking facilities in this regard was approximately HK$1.4 million (31 December 2025: approximately HK$1.4 million).

At 30 June 2026, the lease liabilities of the Group's cold storage warehouse were secured or guaranteed by (i) the cash deposit and corporate guarantee provided by the Company; and (ii) floating charges and share charges provided by certain subsidiaries of the Company, which amount to approximately HK$107.0 million in aggregate (31 December 2025: approximately HK$107.0 million).

At 30 June 2026, the carrying amount of motor vehicles of approximately HK$0.4 million (31 December 2025: approximately HK$0.5 million) was pledged as the lessors' charge over the leased assets to secure the lease liabilities of approximately HK$0.4 million (31 December 2025: approximately HK$0.5 million).

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Significant investment

As at 30 June 2026 and 31 December 2025, the Group did not hold any significant investments with a value of over 5% of the total assets of the Group.

Future plans for material investments or capital assets

At 30 June 2026, the Group did not have any concrete future plans for material investments or capital assets.

Contingent liabilities

At 30 June 2026, the Group did not have any contingent liabilities (31 December 2025: nil).

EMPLOYMENT AND REMUNERATION POLICY

As of 30 June 2026, the Group combining the total number of full-time employees in Hong Kong and Mainland China employed approximately 130 and nil respectively (30 June 2025: approximately 130 Hong Kong employees and 20 Mainland China employees), reflecting targeted workforce adjustments to align with business needs amid economic pressures. Remuneration policies remain competitive, with packages comprising basic salaries, performance-based bonuses, contributions to Mandatory Provident Fund, medical insurance, meal allowances and professional tuition/training subsidies designed to attract and retain talent. Share options are granted to certain directors and eligible employees of the Group as an incentive to recognise their contributions under the share option scheme of the Company. Total staff related costs for the six months ended 30 June 2026 amounted to approximately HK$23.1 million (six months ended 30 June 2025: approximately HK$29.4 million).

In response to the challenging environment, the Group implemented extensive cost-control measures. These changes have not materially impacted day-to-day operations, as they focused on streamlining non-core roles while preserving essential expertise in cold storage and trading.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the Period (Previous Period: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Period. The Company did not hold any treasury shares as at 30 June 2026.

SUBSCRIPTION OF NEW SHARES

Subscription of new shares in October 2025 under Specific Mandate

Reference is made to the announcements of the Company dated 31 October 2025 and 31 December 2025, and the Company's circular dated 5 December 2025.

On 31 October 2025, the Company entered into separate subscription agreements with the three subscribers, namely (i) China Aviation Development Limited; (ii) Voyage Capital Holdings Limited; and (iii) Hong Kong Gold and Jewelry Accessories Group Limited, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, (i) 2,500,000; (ii) 2,500,000; and (iii) 5,000,000 subscription shares respectively, a total of 10,000,000 subscription shares at the subscription price of HK$2.00 per subscription share. The subscription shares 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.

The subscription was completed on 31 December 2025. An aggregate of 10,000,000 new shares were issued and allotted under the specific mandate at the subscription price of HK$2.00 per subscription share.

The gross proceeds and net proceeds of the subscription are HK$20 million and approximately HK$19.72 million, respectively. The net subscription price, after deduction of relevant expenses, is approximately HK$1.97 per subscription share. The aggregate nominal value of the subscription shares was HK$1,000,000 and the market value of the subscription shares is approximately HK$20.5 million, based on the closing price of HK$2.05 per share as quoted on the Stock Exchange on 31 October 2025, being the date of the subscription agreements.

The following table sets forth a breakdown of the use of the net proceeds for the Period:

		Allocation of net proceeds *HK$ million*	**Unutilised as at 31 December 2025** *HK$ million*	**Utilised during Period** *HK$ million*	**Unutilised as at 30 June 2026** *HK$ million*	**Expected time of full utilisation of the remaining balance**
Intended use of net proceeds						
(i)	Repayment of bonds	15.00	15.00	15.00	–	N/A
(ii)	General working capital	4.72	4.72	0.19 *(note 1)*	4.53	December 2026
		19.72	19.72	15.19	4.53	

Note 1: Utilised for other office and miscellaneous expenses

Subscription of new shares in April 2026 under General Mandate

Reference is made to the announcements of the Company dated 27 April 2026 and 30 April 2026.

On 27 April 2026, the Company, as issuer, entered into the subscription agreement with China Agricultural Science International Holding Co., Limited, pursuant to which the subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 5,802,208 subscription shares at the subscription price of HK$2.00 per subscription share under the general mandate. The subscription shares rank pari passu with all the existing shares of the Company at the date of allotment and among themselves in all respects.

The net subscription price, after deduction of relevant expenses, is approximately HK$1.97 per subscription share. The aggregate nominal value of the subscription shares is HK$580,220.80, and the market value of the subscription shares is approximately HK$10.21 million, based on the closing price of HK$1.76 per share as quoted on the Stock Exchange on 27 April 2026, being the date of the subscription agreement. The gross proceeds and net proceeds of the subscription are approximately HK$11.60 million and HK$11.40 million, respectively.

The Directors consider that the subscription enables the Group to meet forthcoming repayment obligations without utilising existing financial resources of the Group, thereby reducing liabilities, enhancing working capital, and strengthening the capital base and overall financial position.

The subscription was completed on 30 April 2026. An aggregate of 5,802,208 new shares were issued and allotted under the general mandate at the subscription price of HK$2.00 per subscription share.

The following table sets forth a breakdown of the use of the net proceeds for the Period:

Intended use of proceeds	**Allocation of net proceeds**	**Utilised during the Period**	**Unutilised as at 30 June 2026**	**Expected time of full utilisation of the remaining balance**
	HK$ million	*HK$ million*	*HK$ million*	
(i) Repayment of indebtedness	10.21	10.21	–	N/A
(ii) General working capital	1.19	–	1.19	December 2026
	11.40	10.21	1.19	

EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed below, no material events occurred since 30 June 2026 and up to the date of this announcement.

Subscription of new shares in August 2026 under General Mandate

Reference is made to the Company's announcements dated 29 July 2026, 3 August 2026 and 10 August 2026.

The Company entered into the subscription agreement with Victoria Sight Capital Group Limited, the subscriber, on 29 July 2026 for the subscription of aggregate of 10,000,000 subscription shares. Pursuant to which the subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 10,000,000 subscription shares at the subscription price of HK$1 per subscription share. The subscription shares 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.

The net subscription price of each of the subscription share, after deduction of relevant expenses, is approximately HK$1 per subscription share. The gross proceeds and net proceeds of the subscription are approximately HK$10 million and HK$10 million respectively. 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 as quoted on the Stock Exchange on the date of the subscription agreement.

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 subscription was completed on 10 August 2026, a total of 10,000,000 new shares of the Company were issued and allotted under general mandate at the subscription price of HK$1 per subscription share.

The following table sets forth a breakdown of the intended use of the net proceeds and the expected timeline for the subscription:

Intended use of proceeds	Allocation of net proceeds	Percentage of net proceeds	Expected timeline for utilising the proceeds
	HK$ million		
General working capital			
– Rental expense	6.0	60%	December 2026
– Staff costs	3.0	30%	December 2026
– Other office expenses	1.0	10%	December 2026
	10.0	100%	

Conversion of Convertible Bonds

On 25 August 2026, the Company received conversion notices from Mr. Bi Wei, Mr. Li Yuhang, PROTOSS GLOBAL OPPORTUNITIES FUND and Providence Discovery Fund in relation to the exercise of the conversion rights attached to the Convertible Bonds, to partially convert the Convertible Bonds in the principal amount of approximately HK$2.0 million, HK$5.0 million, HK$7.9 million and HK$15.4 million respectively, at the conversion price of HK$0.4801 per share (the "**Conversion**"). As a result of the Conversion, on 26 August 2026, the Company allotted and issued 4,165,000 new shares, 10,410,000 new shares, 16,500,000 new shares and 32,000,000 new shares, representing an aggregate of 63,075,000 new shares (the "**Conversion Shares**") to Mr. Bi Wei, Mr. Li Yuhang, PROTOSS GLOBAL OPPORTUNITIES FUND and Providence Discovery Fund respectively. The Conversion Shares rank pari passu with all the existing shares of the Company at the date of allotment and among themselves in all respects.

CORPORATE GOVERNANCE

Code on corporate governance practices

For the six months ended 30 June 2026, the Board is of the view that the Company has complied with the principles and the code provisions set out in the Corporate Governance Code in Appendix C1 (the "**CG Code**") of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), save for the exceptions specified and explained below:

According to the code provision F.1.3 of the CG Code, the chairman of the Board should attend the annual general meeting and invite the chairmen of the Audit, Nomination and Remuneration Committees to answer the questions at the general meeting. Since there was no Chairman in the Company during the six months ended 30 June 2026, the Company did not comply with code provision F.1.3 of the CG Code. The Company had arranged for other Directors and management who are well-versed in the Company's business and affairs to attend the 2026 annual general meeting and communicate with the Shareholders.

The Board does not have the intention to fill the position of Chairman at present and believes that the absence of a Chairman will not have adverse effect on the Company, as decisions of the Company will be made collectively by the Board. The Board will keep reviewing the current structure of the Board and the need for appointment of a suitable candidate to perform the role of Chairman. Appointment will be made to fill the post to comply with the CG Code if necessary.

Model code for securities transactions by Directors

The Company has adopted a written securities dealing policy which contains a set of code of conduct regarding securities transactions by Directors, the terms of which are on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "**Securities Dealing Policy**").

Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Securities Dealing Policy during the six months ended 30 June 2026. No incident of non-compliance was noted by the Company during the six months ended 30 June 2026.

Audit Committee

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting matters including a review of the unaudited condensed consolidated results of the Group for the six months ended 30 June 2026. The Audit Committee is of the opinion that the unaudited condensed consolidated results of the Group for the six months ended 30 June 2026 comply with the applicable accounting standards, the Listing Rules and legal requirements and that adequate disclosure has been made.

The Audit Committee comprises all three independent non-executive Directors, namely Mr. Leung Chi Hung, Ms. Li Dan and Mr. Lo Chi Wang. Mr. Leung Chi Hung is the chairman of the Audit Committee.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.irasia.com/listco/hk/daido/index.htm.

The 2026 interim report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and made available on the websites of the Stock Exchange and the Company in due course.

BOARD OF DIRECTORS

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.

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

Hong Kong, 31 August 2026