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## **DAIDO GROUP LIMITED**

**大同集團有限公司\***

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

**(Stock Code: 00544)**

### **(1) SUBSCRIPTION OF NEW SHARES AND (2) SUBSCRIPTION OF CONVERTIBLE BONDS**

#### **(1) SUBSCRIPTION OF NEW SHARES**

On 20 April 2025, the Company entered into the Subscription Agreements with each of the Subscribers respectively, pursuant to which (a) the Subscriber A has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 19,340,693 Subscription Shares at the Subscription Price of approximately HK\$0.04801 per Subscription Share; (b) the Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 19,340,693 Subscription Shares at the Subscription Price of approximately HK\$0.04801 per Subscription Share; and (c) the Subscriber C has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 19,340,693 Subscription Shares at the Subscription Price of approximately HK\$0.04801 per Subscription Share.

## (2) SUBSCRIPTION OF CONVERTIBLE BONDS

On 20 April 2025, the Company entered into the CB Subscription Agreements with each of the CB Subscribers respectively, pursuant to which (a) the CB Subscriber A has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds with the principal amount of HK\$15,000,000 convertible into Conversion Shares at the Conversion Price of HK\$0.04801 per Conversion Share; (b) the CB Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds with the principal amount of HK\$15,000,000 convertible into Conversion Shares at the Conversion Price of HK\$0.04801 per Conversion Share; and (c) the CB Subscriber C has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds with the principal amount of HK\$15,000,000 convertible into Conversion Shares at the Conversion Price of HK\$0.04801 per Conversion Share.

The Conversion Shares will be issued under the Specific Mandate to be sought from the Shareholders at the SGM. The CB Subscription is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Conversion Shares and the passing of necessary resolution(s) by the Shareholders at the SGM to approve the CB Subscription Agreements and the transactions contemplated thereunder.

**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.**

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

## (1) SUBSCRIPTION OF NEW SHARES

On 20 April 2025, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which (a) the Subscriber A has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 19,340,693 Subscription Shares at the Subscription Price of approximately HK\$0.04801 per Subscription Share; (b) the Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 19,340,693 Subscription Shares at the Subscription Price of approximately HK\$0.04801 per Subscription Share; and (c) the Subscriber C has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 19,340,693 Subscription Shares at the Subscription Price of approximately HK\$0.04801 per Subscription Share.

## **Subscription Agreement A**

**Date:** 20 April 2025

### **Parties:**

- (i) The Company as issuer
- (ii) The Subscriber A as subscriber

## **Subscription Agreement B**

**Date:** 20 April 2025

### **Parties:**

- (i) The Company as issuer
- (ii) The Subscriber B as subscriber

## **Subscription Agreement C**

**Date:** 20 April 2025

### **Parties:**

- (i) The Company as issuer
- (ii) The Subscriber C as subscriber

## **The Subscribers**

The Subscriber A is a company incorporated in the British Virgin Islands and is principally engaged in investment. The ultimate beneficial owner of the Subscriber A is Mr. Yu Chunfeng. The Subscriber A is the same as the CB Subscriber A.

The Subscriber B is a merchant who is the founder of Protoss Capital Limited. The Subscriber B is also the ultimate beneficial owner of the CB Subscriber B.

The Subscriber C is a licensed corporation in Hong Kong to carry out Type 9 (asset management) activities under the SFO. The ultimate beneficial owner of the Subscriber C is Mr. Dong Zimeng. The Subscriber C is the investment manager of the CB Subscriber C.

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

### **Number of Subscription Shares**

The aggregate 58,022,079 Subscription Shares represent approximately 20% of the existing issued share capital of the Company and approximately 16.67% 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\$580,220.79.

### **Subscription Price**

The Subscription Price of approximately HK\$0.04801 per Subscription Share represents:

- (i) a discount of approximately 19.98% to the closing price of HK\$0.06 per Share as quoted on the Stock Exchange on 17 April 2025, being the last trading day immediately preceding to the date of the Subscription Agreements; and
- (ii) a discount of approximately 18.90% to the average of the closing prices of HK\$0.059 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to the date of the Subscription Agreement.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.04339 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Subscribers, taking into account, among others, the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Rights 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.

## **Mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued pursuant to the General Mandate. As at the date of this announcement, the General Mandate has not been utilised prior to the entering into of the Subscription Agreement. Accordingly, the General Mandate is sufficient for the issue of the Subscription Shares and therefore the issue of the Subscription Shares is not subject to separate Shareholders' approval. The issue and allotment of the Subscription Shares will almost fully utilise the General Mandate.

## **Conditions of the Subscription**

The Subscription is conditional upon:

- i) 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;
- ii) 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;
- iii) 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;
- iv) the warranties given by the Company under the relevant Subscription Agreement having remained true and accurate in all material respects;
- v) the warranties given by the relevant Subscriber under the relevant Subscription Agreement having remained true and accurate in all material respects; and
- vi) 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.

In the event that the conditions of the Subscription are not fulfilled or waived on or before 21 July 2025 (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 Subscriber shall have any obligations and liabilities under the relevant Subscription Agreement.

Under the Subscription Agreements, the relevant Subscriber shall have the right to assign its/his rights under the Subscription Agreement to its/his affiliate who shall also be Independent Third Party.

The Subscription Agreements and the CB Subscription Agreements are not inter-conditional upon each other. Each of the Subscription Agreements are not inter-conditional upon each other.

### **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).

Under the Subscription Agreements, the Company shall appoint up to one person nominated by the relevant Subscriber and accepted by the Company's Nomination Committee as executive Director on a day not later than the completion date of the relevant Subscription Agreement.

**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.**

### **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.

### **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.

The Directors consider raise funds by issuing the Subscription is justifiable considering the recent market conditions and consider that the Subscription represents an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. The Subscription does not only represent an opportunity to raise capital for the Company, it also enlarges and broadens the Shareholder base and capital base of the Company.

The gross proceeds and net proceeds of the Subscription are approximately HK\$2.79 million and HK\$2.52 million respectively. It is intended the net proceeds of the Subscription of approximately HK\$2.52 million will be applied towards (i) repayment of indebtedness of the Group; and (ii) fund working capital of the Group.

The Directors consider that the Subscription Agreements are entered into upon normal commercial terms following arm's length negotiations between the Company and 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 Directors also consider that the Subscription will strengthen the financial position of the Group.

## **(2) SUBSCRIPTION OF CONVERTIBLE BONDS**

On 20 April 2025, the Company entered into the CB Subscription Agreements with each of the CB Subscribers respectively, pursuant to which (a) the CB Subscriber A has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds with the principal amount of HK\$15,000,000 convertible into Conversion Shares at the Conversion Price of HK\$0.04801 per Conversion Share; (b) the CB Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds with the principal amount of HK\$15,000,000 convertible into Conversion Shares at the Conversion Price of HK\$0.04801 per Conversion Share; and (c) the CB Subscriber C has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds with the principal amount of HK\$15,000,000 convertible into Conversion Shares at the Conversion Price of HK\$0.04801 per Conversion Share.

### **CB Subscription Agreement A**

**Date:** 20 April 2025

**Parties:**

- (i) The Company as issuer
- (ii) The CB Subscriber A

### **CB Subscription Agreement B**

**Date:** 20 April 2025

**Parties:**

- (i) The Company as issuer
- (ii) The CB Subscriber B

## **CB Subscription Agreement C**

**Date:** 20 April 2025

### **Parties:**

- (i) The Company as issuer
- (ii) The CB Subscriber C

### **The CB Subscribers**

The CB Subscriber A is a company incorporated in British Virgin Islands principally engaged in investment. The ultimate beneficial owner of the CB Subscriber A is Mr. Yu Chunfeng. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the CB Subscriber A and its ultimate beneficial owner are Independent Third Parties.

The CB Subscriber B is an exempted company incorporated in the Cayman Islands with limited liability and is principally engaged in investment fund business. The ultimate beneficial owner of the CB Subscriber B is Mr. Bi Wei, who is also the Subscriber B in the Subscription. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the CB Subscriber B and its ultimate beneficial owner are Independent Third Parties.

The CB Subscriber C is a sub fund of Providence Strategic Discovery OFC, which is an open-ended fund incorporated in Hong Kong. The investment manager of CB Subscriber C is Providence Capital Group Limited, who is also the Subscriber C in the Subscription. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the CB Subscriber C and its ultimate beneficial owner(s) are Independent Third Parties.

Under the CB Subscription Agreements, the CB Subscribers shall have the right to assign their rights under the CB Subscription Agreements to its affiliate who shall also be Independent Third Party.

### **Conversion Price**

The Conversion Price of HK\$0.04801 per Conversion Share represents:

- (i) a discount of approximately 19.98% to the closing price of HK\$0.06 per Share as quoted on the Stock Exchange on 17 April 2025, being the last trading day immediately preceding to the date of the CB Subscription Agreements; and



- (ii) a discount of approximately 18.90% to the average of the closing prices of HK\$0.059 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to the date of the CB Subscription Agreements.

The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.04339 per Conversion Share.

The Conversion Price was arrived at after arm's length negotiations between the Company and the CB Subscribers, taking into account, among others, the recent trading performance of the Shares. The Directors consider that the Conversion Price and the terms of the CB Subscription Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate consideration for the Convertible Bonds shall be settled by the CB Subscribers in cash upon completion of the CB Subscription Agreements.

### **Principal terms of the Convertible Bonds**

Aggregate Principal amount: HK\$45,000,000

Interest rate: 6% per annum and the interest accrued shall be payable on each anniversary of the initial issue date of the Convertible Bonds

Maturity date: the calendar day falling on the third anniversary date of the initial issue date of the Convertible Bonds (the "**Initial Issue Date**") which, in respect of the outstanding Convertible Bonds, shall be extended to the fifth anniversary date of the Initial Issue Date if the holder of the Convertible Bonds agrees to the extension by giving a written notice to the Company not later than the three Business Days prior to the original maturity date

Conversion: The holder of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares at any time and from time to time, from the date of issue of the Convertible Bonds.

Conversion price:	The Conversion Price is initially HK\$0.04801 per Share, subject to adjustment for, among other matters, subdivision, consolidation or reclassification of Shares, capitalization of profits or reserves, capital distribution, rights issue of Shares or options over Shares, issue of further Shares or securities and other events analogous to the above events.
Voting:	The holder(s) of the Convertible Bonds will not be entitled to attend or vote at any general meeting of the Company by reason only of it being the holder of the Convertible Bonds.
Transfer:	With the prior written notification to the Company, the Convertible Bonds may be transferable provided that transfer or assignment of the Convertible Bonds to any connected person of the Company shall be subject to, among others, compliance with the Listing Rules.

Based on the initial conversion price of HK\$0.04801 per Conversion Share, a maximum number of up to 937,304,727 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent: (i) approximately 323.09% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 72.92% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Subscription Shares and the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in full.

The maximum aggregate nominal value of the Conversion Shares is HK\$9,373,047.27.

### **Rights of the Conversion Shares**

The Conversion Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Conversion Shares.

### **Mandate to issue the Conversion Shares**

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be sought at the SGM.

## Conditions of the CB Subscription

The CB Subscription is conditional upon:

- i) the passing by the Shareholders or independent Shareholders (as the case may be) of the Company (as required under the Listing Rules) at the SGM all resolution(s) required under the relevant laws and regulations to effect, among others, the CB Subscription Agreements, the issue of the Convertible Bonds and the Conversion Shares as well as the transactions contemplated thereunder;
- ii) the granting of approval by the Stock Exchange for the listing of, and the permission to deal in, the Conversion 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;
- iii) in respect of the CB Subscription Agreements 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;
- iv) 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 CB Subscription Agreements;
- v) the warranties given by the Company under the CB Subscription Agreements having remained true and accurate in all material respects;
- vi) the warranties given by the relevant CB Subscriber under the CB Subscription Agreement having remained true and accurate in all material respects; and
- vii) the CB 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.

In the event that the conditions of the CB Subscription are not fulfilled or waived on or before 21 July 2025 (the “**CB Long Stop Date**”) or such other date as may be agreed between the parties to the CB Subscription Agreement, the CB Subscription Agreements shall cease and terminate and neither the Company nor the CB Subscribers shall have any obligations and liabilities under the CB Subscription Agreements.

The Subscription Agreements and the CB Subscription Agreements are not inter-conditional upon each other. Each of the CB Subscription Agreements are not inter-conditional upon each other.

## **Completion of the CB Subscription**

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

As at the date of this announcement, the Company has no treasury shares and no intention to transfer treasury shares upon the CB Subscribers exercise of the conversion rights attached to the Convertible Bonds.

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

## **Application for Listing**

No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

## **REASONS FOR THE CB 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 disclosed in the annual results announcement of the Company for the year ended 31 December 2024, the Group's total liabilities exceed its total assets by approximately HK\$22.88 million as at 31 December 2024. The Directors considered that the net liabilities position of the Group as of 31 December 2024 was primarily due to the bonds payables amounted to HK\$85 million and a bank borrowing amounted to HK\$35 million. The Company is in the process of negotiating for a settlement of bond payable to several bondholders and for an extension for the bank loan repayment.

The Directors have considered various ways of funds raising in the capital market to settle the said bond payable and the bank borrowing. The Directors consider that the issuance of Convertible Bonds is an appropriate means of raising additional capital of the Company to repay the indebtedness as it will not have an immediate dilution effect on the shareholding of the existing Shareholders.

The Directors consider raise funds by issuing the CB Subscription is justifiable considering the recent market conditions and consider that the CB Subscription represents an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. The CB Subscription not only represents an opportunity to raise capital for the Company, which also enlarges and broadens the Shareholder base and capital base of the Company in the event that the CB Subscribers elect to convert the Convertible Bonds into Conversion Shares. The Directors also consider that the CB Subscription will strengthen the financial position of the Group.

The gross proceeds and net proceeds of the CB Subscription are approximately HK\$45.00 million and HK\$40.67 million respectively. It is intended the net proceeds of the CB Subscription of approximately HK\$40.67 million will be applied towards (i) repayment of indebtedness of the Group; and (ii) fund working capital of the Group.

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

## SGM

The SGM will be convened at which resolution(s) will be proposed to seek approval of the CB Subscription Agreements and the transactions contemplated thereunder including the issue of the Convertible Bonds and the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds. To the best of the Directors' information, belief and knowledge, no Shareholders have material interest in relation to the issue of Convertible Bonds and therefore no parties are required to abstain from voting in the SGM.

A circular containing, among other things, details of the CB Subscription Agreements and the notice of the SGM will be despatched to the Shareholders as soon as practicable.

## CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscription and the CB Subscription are as follows:

Shareholders	At the date of this announcement and immediately before completion of the Subscription		Immediately after completion of the Subscription		Immediately after completion of the Subscription and full conversion of the Convertible Bonds	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Ever Achieve Enterprises Limited ( <i>Note 1</i> )	20,232,313	6.97%	20,232,313	5.81%	20,232,313	1.57%
Great Virtue Holdings Limited ( <i>Note 2</i> )	46,880,000	16.16%	46,880,000	13.46%	46,880,000	3.65%
The Subscribers	-	-	58,022,079	16.67%	58,022,079	4.51%
The CB Subscribers	-	-	-	-	937,304,727	72.92%
Other Shareholders	222,998,087	76.87%	222,998,087	64.06%	222,998,087	17.35%
Total:	<u>290,110,400</u>	<u>100%</u>	<u>348,132,479</u>	<u>100%</u>	<u>1,285,437,206</u>	<u>100%</u>

*Notes:*

1. Ever Achieve Enterprises Limited (“**Ever Achieve**”) is 100% owned by Mr. Fung Pak Kei and Mr. Ho Hon Chung, Ivan, both being executive Directors, through their wholly-owned companies, in equal shares. Therefore, Mr. Fung Pak Kei and Mr. Ho Hon Chung, Ivan are deemed to be interested in all the shares of the Company held by Ever Achieve under provisions of the Securities and Futures Ordinance (the “**SFO**”).
2. 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 of the Company in which Great Virtue is interested under provisions of the SFO.
3. 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 are exercised.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD**

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **DEFINITIONS**

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

“AGM”	the annual general meeting of the Company convened and held on 30 May 2024 to approve, among other things, the grant of the General Mandate
“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
“CB Subscriber A”	YuYu Future Investment Limited, a company incorporated in the British Virgin Islands
“CB Subscriber B”	Protoss Global Opportunities Fund, an exempted Cayman fund
“CB Subscriber C”	Providence Discovery Fund, a sub fund of Providence Strategic Discovery OFC

“CB Subscribers”	together with the CB Subscriber A, the CB Subscriber B and the CB Subscriber C
“CB Subscription”	the subscription of the Convertible Bonds to be issued by the Company by the CB Subscribers pursuant to the CB Subscription Agreements
“CB Subscription Agreement A”	the conditional agreement dated 20 April 2025 and entered into between the Company and the CB Subscriber A in respect of the CB Subscription
“CB Subscription Agreement B”	the conditional agreement dated 20 April 2025 and entered into between the Company and the CB Subscriber B in respect of the CB Subscription
“CB Subscription Agreement C”	the conditional agreement dated 20 April 2025 and entered into between the Company and the CB Subscriber C in respect of the CB Subscription
“CB Subscription Agreements”	together with the CB Subscription Agreement A, the CB Subscription Agreement B and the CB Subscription Agreement C and each a “CB Subscription Agreement”
“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
“Convertible Bonds”	the unlisted convertible bonds with aggregate principal amount of HK\$45,000,000 to be subscribed by the CB Subscribers
“Conversion Price”	initially HK\$0.04801 per Conversion Share, subject to the adjustment mechanism under the Convertible Bonds
“Conversion Shares”	an aggregate of 937,304,727 new Shares to be allotted and issued upon conversion of the Convertible Bonds
“Directors”	directors 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is/are not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held and convened to approve the CB Subscription and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought at the SGM for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	YuYu Future Investment Limited, a company incorporated in the British Virgin Islands
“Subscriber B”	Mr. Bi Wei
“Subscriber C”	Providence Capital Group Limited, a licensed corporation to carry out Type 9 (asset management) regulated activities under the SFO
“Subscribers”	together the Subscriber A, the Subscriber B and the Subscriber C



“Subscription”	the subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreement A”	the conditional agreement dated 20 April 2025 and entered into between the Company and the Subscriber A in respect of the Subscription
“Subscription Agreement B”	the conditional agreement dated 20 April 2025 and entered into between the Company and the Subscriber B in respect of the Subscription
“Subscription Agreement C”	the conditional agreement dated 20 April 2025 and entered into between the Company and the 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 approximately HK\$0.04801 per Subscription Share
“Subscription Shares”	an aggregate of 58,022,079 new Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By order of the Board  
**Daido Group Limited**  
**Fung Pak Kei**  
*Executive Director*

Hong Kong, 21 April 2025

*As at the date of this announcement, the Board comprises executive Directors, namely, Mr. Fung Pak Kei and Mr. Ho Hon Chung, Ivan; non-executive Directors, namely, Mr. Au Tat Wai, Mr. Fung Wa Ko and Ms. Kwan Nga Chung; and independent non-executive Directors, namely, Mr. Leung Chi Hung, Mr. Lo Chi Wang and Mr. Tse Yuen Ming.*

\* *For identification purposes only*