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**DAIDO GROUP LIMITED**

**大同集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00544)**

## **SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO THE PLACING OF BONDS**

Reference is made to the announcements of the Company dated 13 November 2014 and 26 January 2015.

The Board announces that on 23 April 2015 (after trading hours), the Company and the Placing Agent entered into the Second Supplemental Agreement to amend the term of the Placing Agreement (as supplemented by the Supplemental Agreement).

Reference is made to the announcements of Daido Group Limited (the “**Company**”) dated 13 November 2014 and 26 January 2015 (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

### **BACKGROUND**

On 13 November 2014, the Company and the Placing Agent entered into a placing agreement (the “**Placing Agreement**”), pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, independent Placees to subscribe in cash for the 6% coupon unlisted bonds (the “**Bonds**”) in an aggregated principal amount of up to HK\$500,000,000.

On 26 January 2015, the Company and the Placing Agent entered into a supplemental agreement (the “**Supplemental Agreement**”), pursuant to which the Company and the Placing Agent agreed to amend the term of the Placing Agreement such that the transferability of such Bonds to be issued by the Company after the date of the Supplemental Agreement shall be subject to the prior written consent of the Company, which may or may not be granted at the absolute discretion of the Company.

*\* For identification purpose only*

## **SECOND SUPPLEMENTAL AGREEMENT**

On 23 April 2015 (after trading hours), the Company and the Placing Agent entered into a second supplemental agreement (the “**Second Supplemental Agreement**”), pursuant to which the Company and the Placing Agent agreed to amend the term of the Placing Agreement (as supplemented by the Supplemental Agreement) such that the placing commission payable to the Placing Agent by the Company is increased from 2% to 4% of the aggregate principal amount of the Bonds successfully placed by the Placing Agent in accordance with the Placing Agreement (as supplemented by the Supplemental Agreement). The placing commission amendment shall have taken effect from 23 April 2015.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent third parties and are not a connected person (as defined under the Listing Rules) of the Company and the Placing Agent did not hold any Shares as at the date of this announcement.

Save as disclosed above, there is no material change to the terms of the Placing Agreement and the Supplemental Agreement and all terms and conditions of the Placing Agreement and the Supplemental Agreement remain unchanged and in full force and effect. The terms of the Second Supplemental Agreement were arrived at after arm’s length negotiations between the Company and the Placing Agent, and the Directors believe that the terms of the second supplemental agreement are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

## **REASONS FOR ENTERING INTO THE SECOND SUPPLEMENTAL AGREEMENT**

As at the date of this announcement, it is noted that the Bonds in an aggregate principal amount of HK\$80,000,000 have been subscribed by the Placees and issued by the Company.

In view of the recent market condition, the Placing Agent has informed the Company that it is difficult to place the Bonds under the current circumstances. The Company considers that the revised placing commission would provide an incentive to the Placing Agent for their effort to procure independent Placees to subscribe the Bonds. The revised placing commission was determined after arm’s length negotiation between the Company and the Placing Agent by reference to the size and the current and expected market condition for the Placing Agent to procure independent Placees for the Placing. The Directors are of the view that the revised placing commission payable for the Placing is fair and reasonable.

By order of the Board  
**Daido Group Limited**  
**Au Tat Wai**  
*Executive Director*

Hong Kong, 23 April 2015

As at the date of this announcement, the Board comprises executive Directors, namely, Mr. Au Tat Wai, Mr. Choy Kai Sing, Mr. Ho Hon Chung, Ivan and Mr. Tang Tsz Man, Philip; non-executive Director, namely, Mr. Fung Wa Ko; and independent non-executive Directors, namely, Mr. Fung Siu Kit, Ronny, Mr. Leung Chi Hung and Mr. Tse Yuen Ming.