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DAIDO GROUP LIMITED
大同集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00544)

**DISCLOSEABLE TRANSACTION:
PROVISION OF FINANCIAL ASSISTANCE**

On 20 April 2017, Mayfair Pacific Finance, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the Loan Agreements pursuant to which Mayfair Pacific Finance has agreed to grant the Loans in the aggregate amount of HK\$19,800,000 to Company A all for a term of 12 months from the date of making the advance.

As the relevant percentage ratios under the Listing Rules upon aggregation of the Loan Agreements exceed 5% but are less than 25%, the entering into of the Loan Agreements constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

On 20 April 2017, Mayfair Pacific Finance, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the Loan Agreements pursuant to which Mayfair Pacific Finance has agreed to grant the Loans in the aggregate amount of HK\$19,800,000 to Company A all for a term of 12 months from the date of making the advance.

A summary of the principal terms of each of the Loan Agreements is set out below:

Date: 20 April 2017

Parties: (1) Mayfair Pacific Finance as lender
(2) Company A as borrower

Mayfair Pacific Finance is a company incorporated in Hong Kong and is an indirect wholly owned subsidiary of the Company.

Company A is a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Company A and its ultimate beneficial owner(s) are Independent Third Parties and not connected with the Group.

Pursuant to the Loan Agreements, Mayfair Pacific Finance has agreed to grant the Loans in the aggregate amount of HK\$19,800,000 to Company A subject to and conditional upon the terms and conditions set out in each of the Loan Agreements.

Save for the Loan Agreements entered into between Mayfair Pacific Finance and Company A, there is no other business relationship between the Group and Company A. To the best of the Directors' knowledge and information, the Directors are not aware of any default by Company A and/or Guarantor A, Guarantor B and Guarantor C in the past.

- Principal:** 1st Loan Agreement – HK\$3,000,000
2nd Loan Agreement – HK\$4,500,000
3rd Loan Agreement – HK\$1,100,000
4th Loan Agreement – HK\$3,000,000
5th Loan Agreement – HK\$3,200,000
6th Loan Agreement – HK\$5,000,000
- Interest rate:** 12% per annum on each of the Loans (or on the then outstanding amount of each of the Loans)
- Term:** 12 months commencing from the date of making the Loans. The term of each of the Loans can be extended respectively at the sole discretion of Mayfair Pacific Finance, to be on the same terms, conditions and stipulations set forth in each of the Loan Agreements unless otherwise agreed between the parties.
- Security:** 1st Loan Agreement:
A sub-mortgage in respect of property located in Hong Kong with preliminary valuation on 6 March 2017 with an amount of approximately HK\$16,100,000. The residual value of the property under collateral of the 1st Loan after deducting the outstanding first mortgage is higher than the principal amount of the 1st Loan.
- 2nd Loan Agreement:
A sub-mortgage in respect of property located in Hong Kong with preliminary valuation on 6 March 2017 with an amount of approximately HK\$25,060,000. The residual value of the property under collateral of the 2nd Loan after deducting the outstanding first mortgage is higher than the principal amount of the 2nd Loan.
- 3rd Loan Agreement:
A sub-mortgage in respect of property located in Hong Kong with preliminary valuation on 9 March 2017 with an amount of approximately HK\$16,000,000. The residual value of the property under collateral of the 3rd Loan after deducting the outstanding first mortgage is higher than the principal amount of the 3rd Loan.

4th Loan Agreement:

A sub-mortgage in respect of property located in Hong Kong with preliminary valuation on 6 March 2017 with an amount of approximately HK\$22,000,000. The residual value of the property under collateral of the 4th Loan after deducting the outstanding first mortgage is higher than the principal amount of the 4th Loan.

5th Loan Agreement:

A sub-mortgage in respect of property located in Hong Kong with preliminary valuation on 9 March 2017 with an amount of approximately HK\$13,500,000. The residual value of the property under collateral of the 5th Loan after deducting the outstanding first mortgage is higher than the principal amount of the 5th Loan.

6th Loan Agreement:

A sub-mortgage in respect of property located in Hong Kong with preliminary valuation on 6 March 2017 with an amount of approximately HK\$19,320,000. The residual value of the property under collateral of the 6th Loan after deducting the outstanding first mortgage is higher than the principal amount of the 6th Loan.

Guarantee: Pursuant to each of Loan Agreements, the Loans are guaranteed by Guarantor A, Guarantor B and Guarantor C (Joint and Several). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guarantor A and Guarantor C both are being an individual and an Independent Third Party; and Guarantor B is a company and an Independent Third Party. Guarantor A, Guarantor B and Guarantor C are the beneficial owner of Company A.

The Company is of the view that based on the valuation, each of the securities would be sufficient to cover the relevant loan amount under each of the Loan Agreements. Based on the assessment of Mayfair Pacific Finance, after considering the past credit records and backgrounds of Company A, Guarantor A, Guarantor B and Guarantor C in accordance with its credit policy, Mayfair Pacific Finance considers the credit risk relating to the entering into of each of the Loan Agreements is relatively low.

Repayment: Company A shall repay each of the Loans (or the then outstanding amounts of each of the Loans) to Mayfair Pacific Finance free from any legal or equitable right of set-off on demand or on the Redemption Date. Payment of interest shall be made on 20th day of every month during the term (or the extended term) of each of the Loans.

Redemption Date: On 19 April 2018

Date of making the Loans: On 20 April 2017

FUNDING OF THE LOANS

The Group will finance the Loans with its internal resources and/or the proceeds from the placing of the bonds as announced in the announcement of the Company dated 13 November 2014.

INFORMATION ON THE GROUP AND MAYFAIR PACIFIC FINANCE

The Group is principally engaged in cold storage and related business in Hong Kong; trading and related business in the PRC and investment holding. The Group is also engaged in money lending services through Mayfair Pacific Finance.

Mayfair Pacific Finance is a company incorporated in Hong Kong with limited liability and is principally engaged in money lending services in Hong Kong. Mayfair Pacific Finance holds a valid money lenders licence under the provisions of the Money Lenders Ordinance (Cap. 163, the laws of Hong Kong) to carry out its business.

REASONS FOR THE LOAN AGREEMENTS

The grant of the Loans to Company A is in the ordinary and usual course of business of the Group on normal commercial terms within the meaning of the Listing Rules.

The terms of each of the Loan Agreements are negotiated on an arm's length basis between Mayfair Pacific Finance and Company A with regarding to, among others, the sufficient securities provided by Company A and the guarantees provided by Guarantor A, Guarantor B and Guarantor C. The terms of each of the Loan Agreements are entered into on a normal commercial terms based on the credit policy of Mayfair Pacific Finance. The terms of each of the Loans including the interest rate charged on Company A are determined with reference to the range of market interest rates.

The Directors consider that the granting of the Loans constitutes provision of financial assistance by the Group under the Listing Rules. Taking into account of the cashflow stream from the expected interest income, the Directors consider that the entering into of the Loan Agreements and the terms and conditions of the Loan Agreements (including the interest rate and principal amounts of the Loans) are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios under the Listing Rules upon aggregation of the Loan Agreements exceed 5% but are less than 25%, the entering into of the Loan Agreements constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Daido Group Limited, a company incorporated in Bermuda with limited liability the issued Shares of which are listed on the Stock Exchange
“Company A”	a company incorporated in Hong Kong with limited liability, the borrower under the Loan Agreements and an Independent Third Party
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor A”	Under the Loan Agreements, a guarantor being an individual and an Independent Third Party
“Guarantor B”	Under the Loan Agreements, a guarantor being a company and an Independent Third Party
“Guarantor C”	Under the Loan Agreements, a guarantor being an individual and an Independent Third Party
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	collectively, 1st Loan, 2nd Loan, 3rd Loan, 4th Loan, 5th Loan and 6th Loan
“Loan Agreements”	collectively, 1st Loan Agreement, 2nd Loan Agreement, 3rd Loan Agreement, 4th Loan Agreement, 5th Loan Agreement and 6th Loan Agreement

“Mayfair Pacific Finance”	Mayfair Pacific Finance (HK) Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
1st Loan	the secured loan in the principal amount of HK\$3,000,000 to be granted by Mayfair Pacific Finance to Company A under 1st Loan Agreement
1st Loan Agreement	the loan agreement dated 20 April 2017 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in respect of 1st Loan
2nd Loan	the secured loan in the principal amount of HK\$4,500,000 to be granted by Mayfair Pacific Finance to Company A under 2nd Loan Agreement
2nd Loan Agreement	the loan agreement dated 20 April 2017 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in respect of 2nd Loan
3rd Loan	the secured loan in the principal amount of HK\$1,100,000 to be granted by Mayfair Pacific Finance to Company A under 3rd Loan Agreement
3rd Loan Agreement	the loan agreement dated 20 April 2017 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in respect of 3rd Loan
4th Loan	the secured loan in the principal amount of HK\$3,000,000 to be granted by Mayfair Pacific Finance to Company A under 4th Loan Agreement
4th Loan Agreement	the loan agreement dated 20 April 2017 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in respect of 4th Loan
5th Loan	the secured loan in the principal amount of HK\$3,200,000 to be granted by Mayfair Pacific Finance to Company A under 5th Loan Agreement

5th Loan Agreement	the loan agreement dated 20 April 2017 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in respect of 5th Loan
6th Loan	the secured loan in the principal amount of HK\$5,000,000 to be granted by Mayfair Pacific Finance to Company A under 6th Loan Agreement
6th Loan Agreement	the loan agreement dated 20 April 2017 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in respect of 6th Loan

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

Hong Kong, 20 April 2017

As at the date of this announcement, the Board comprises executive Directors, namely, Mr. Au Tat Wai, Mr. Choy Kai Sing and Mr. Ho Hon Chung, Ivan; 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.

** For identification purposes only*