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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 2 June 2017, Mayfair Pacific Finance, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the Loan Agreement A pursuant to which Mayfair Pacific Finance has agreed to grant the Loan A in the amount of HK\$5,750,000 to Company A for a term of 12 months from the date of making the advance. An amount of HK\$1,990,000 had been repaid and the remaining HK\$3,760,000 is still outstanding as at the date of this announcement.

On 7 August 2017, Mayfair Pacific Finance as lender and Company A as borrower further entered into the Loan Agreement B pursuant to which Mayfair Pacific Finance has agreed to grant the Loan B in the amount of HK\$3,700,000 to Company A for a term of 12 months from the date of making the advance.

On 9 January 2018, Mayfair Pacific Finance as lender and Company A as borrower further entered into the Loan Agreement C pursuant to which Mayfair Pacific Finance has agreed to grant the Loan C in the amount of HK\$3,700,000 to Company A for a term of 12 months from the date of making the advance.

As the relevant percentage ratios under the Listing Rules in respect of the aggregate amount of financial assistance granted to Company A within the period of 12 months immediately preceding and up to the date of the Loan Agreement C exceed 5% but are less than 25%, this series of transactions constitutes discloseable transactions for the Company under Chapter 14 of the Listing Rules.

On 2 June 2017, Mayfair Pacific Finance, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the Loan Agreement A pursuant to which Mayfair Pacific Finance has agreed to grant the Loan A in the amount of HK\$5,750,000 to Company A for a term of 12 months from the date of making the advance. An amount of HK\$1,990,000 had been repaid and the remaining HK\$3,760,000 is still outstanding as at the date of this announcement.

On 7 August 2017, Mayfair Pacific Finance as lender and Company A as borrower further entered into the Loan Agreement B pursuant to which Mayfair Pacific Finance has agreed to grant the Loan B in the amount of HK\$3,700,000 to Company A for a term of 12 months from the date of making the advance.

Based on the relevant percentage ratios of the Loan Agreement A together with the Loan Agreement B, the entering into of the Loan Agreement A and the Loan Agreement B does not constitute a notifiable transaction on the part of the Company under the Listing Rules.

On 9 January 2018, Mayfair Pacific Finance as lender and Company A as borrower further entered into the Loan Agreement C pursuant to which Mayfair Pacific Finance has agreed to grant the Loan C in the amount of HK\$3,700,000 to Company A for a term of 12 months from the date of making the advance.

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

THE LOAN AGREEMENT A

Date: 2 June 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 Agreement A, Mayfair Pacific Finance has agreed to grant the Loan A in the amount of HK\$5,750,000 to Company A subject to and conditional upon the terms and conditions set out in the Loan Agreement A.

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 the Guarantor in the past.

Principal: HK\$5,750,000 (An amount of HK\$1,990,000 had been repaid and the remaining HK\$3,760,000 is still outstanding as at the date of this announcement.)

Interest rate: 12% per annum on the Loan A (or on the then outstanding amount of the Loan A)

Term: 12 months commencing from the date of making the Loan A. The term of the Loan A can be extended at the sole discretion of Mayfair Pacific Finance, to be on the same terms, conditions and stipulations set forth in the Loan Agreement A unless otherwise agreed between the parties.

Security: Sub-mortgage in respect of properties located in Hong Kong with preliminary valuations on 11 May 2017 with an aggregate amount of approximately HK\$41,140,000. (After several partial releases requested by Company A; the remaining properties with preliminary valuation on 11 May 2017 with an aggregate amount of approximately HK\$18,840,000 as at the date of this announcement.) The residual value of the properties under collateral of the Loan A after deducting the outstanding mortgages is higher than the principal amount of the Loan A.

Guarantee: Personal guarantee provided by the Guarantor in favour of Mayfair Pacific Finance to secure the obligation of Company A under the Loan Agreement A. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Guarantor is an individual and an Independent Third Party. The Guarantor is the beneficial owner of Company A.

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

Repayment: Company A shall repay the Loan A (or the then outstanding amount of the Loan A) 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 2nd day of every month during the term (or the extended term) of the Loan A.

Prepayment and Partial Release: At any time during the subsistence of the security under the Loan Agreement A, Company A may repay the respective principal loan and interest in respect any one of the properties and request for partial release of that particular property at the costs of Company A.

Redemption Date: 2 June 2018

Date of making the Loan A: 2 June 2017

THE LOAN AGREEMENT B

Date: 7 August 2017

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

Pursuant to the Loan Agreement B, Mayfair Pacific Finance has agreed to grant the Loan B in the amount of HK\$3,700,000 to Company A subject to and conditional upon the terms and conditions set out in the Loan Agreement B.

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 the Guarantor in the past.

Principal: HK\$3,700,000

Interest rate: 12% per annum on the Loan B (or on the then outstanding amount of the Loan B)

Term: 12 months commencing from the date of making the Loan B. The term of the Loan B can be extended at the sole discretion of Mayfair Pacific Finance, to be on the same terms, conditions and stipulations set forth in the Loan Agreement B unless otherwise agreed between the parties.

Security: Sub-mortgage in respect of property located in Hong Kong with preliminary valuation on 3 August 2017 with an amount of approximately HK\$26,000,000. The residual value of the property under collateral of the Loan B after deducting the outstanding mortgages is higher than the principal amount of the Loan B.

Guarantee: Personal guarantee provided by the Guarantor in favour of Mayfair Pacific Finance to secure the obligation of Company A under the Loan Agreement B. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Guarantor is an individual and an Independent Third Party. The Guarantor is the beneficial owner of Company A.

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

Repayment: Company A shall repay the Loan B (or the then outstanding amount of the Loan B) 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 7th day of every month during the term (or the extended term) of the Loan B.

Prepayment and Partial Release: At any time during the subsistence of the security under the Loan Agreement B, Company A may repay the respective principal loan and interest in respect any one of the properties and request for partial release of that particular property at the costs of Company A.

Redemption Date: 7 August 2018

Date of making the Loan B: 7 August 2017

THE LOAN AGREEMENT C

Date: 9 January 2018

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

Pursuant to the Loan Agreement C, Mayfair Pacific Finance has agreed to grant the Loan C in the amount of HK\$3,700,000 to Company A subject to and conditional upon the terms and conditions set out in the Loan Agreement C.

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 the Guarantor in the past.

Principal: HK\$3,700,000

Interest rate: 12% per annum on the Loan C (or on the then outstanding amount of the Loan C)

Term: 12 months commencing from the date of making the Loan C. The term of the Loan C can be extended at the sole discretion of Mayfair Pacific Finance, to be on the same terms, conditions and stipulations set forth in the Loan Agreement C unless otherwise agreed between the parties.

Security: Sub-mortgage in respect of properties located in Hong Kong with preliminary valuations on 8 January 2018 with an aggregate amount of approximately HK\$37,340,000. The residual value of the properties under collateral of the

Loan C after deducting the outstanding mortgages is higher than the principal amount of the Loan C.

Guarantee: Personal guarantee provided by the Guarantor in favour of Mayfair Pacific Finance to secure the obligation of Company A under the Loan Agreement C. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Guarantor is an individual and an Independent Third Party. The Guarantor is the beneficial owner of Company A.

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

Repayment: Company A shall repay the Loan C (or the then outstanding amount of the Loan C) 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 9th day of every month during the term (or the extended term) of the Loan C.

Prepayment and Partial Release: At any time during the subsistence of the security under the Loan Agreement C, Company A may repay the respective principal loan and interest in respect any one of the properties and request for partial release of that particular property at the costs of Company A.

Redemption Date: 9 January 2019

Date of making the Loan C: 9 January 2018

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 the Guarantor. 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 in respect of the aggregate amount of financial assistance granted to Company A within the period of 12 months immediately preceding and up to the date of the Loan Agreement C exceed 5% but are less than 25%, this series of transactions constitutes discloseable transactions 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”	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
“Loan Agreement A”	the loan agreement dated 2 June 2017 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in relation to the grant of Loan A
“Loan Agreement B”	the loan agreement dated 7 August 2017 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in relation to the grant of Loan B
“Loan Agreement C”	the loan agreement dated 9 January 2018 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in relation to the grant of Loan C
“Loan Agreements”	collectively, Loan Agreement A, Loan Agreement B and Loan Agreement C
“Loan A”	the secured loan with principal amount of HK\$5,750,000 under the Loan Agreement A
“Loan B”	the secured loan with principal amount of HK\$3,700,000 under the Loan Agreement B
“Loan C”	the secured loan with principal amount of HK\$3,700,000 under the Loan Agreement C
“Loans”	collectively Loan A, Loan B and Loan C
“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

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

Hong Kong, 9 January 2018

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*