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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 30 April 2018, Mayfair Pacific Finance, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the Loan Agreement pursuant to which Mayfair Pacific Finance has agreed to grant the Loan in the amount of HK\$18,000,000 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 exceed 5% but are less than 25%, the entering into of the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under the Listing Rules.

On 30 April 2018, Mayfair Pacific Finance, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the Loan Agreement pursuant to which Mayfair Pacific Finance has agreed to grant the Loan in the amount of HK\$18,000,000 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 Agreement is set out below:

**THE LOAN AGREEMENT**

**Date:** 30 April 2018

**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, Mayfair Pacific Finance has agreed to grant the Loan in the amount of HK\$18,000,000 to Company A subject to and conditional upon the terms and conditions set out in the Loan Agreement.

Save for the Loan Agreement and the Previous Loan Agreement, there is no other business relationship between the Group and Company A. The loan amount of HK\$13,000,000 under the Previous Loan Agreement is not yet due for repayment as at the date of this announcement. To the best of the Directors' knowledge and information, the Directors are not aware of any default by Company A and/or Guarantor A and Guarantor B in the past.

- Principal:** HK\$18,000,000
- Interest rate:** 12% per annum interest on the Loan
- Term:** 12 months commencing from the date of making the Loan
- Security:** A second legal charge/mortgage in respect of property located in Hong Kong with preliminary valuation on 25 April 2018 with an amount of approximately HK\$61,000,000. The residual value of the property under collateral of the Loan after deducting the outstanding first mortgage is higher than the principal amount of the Loan.
- Guarantee:** Personal guarantee provided by Guarantor A and Guarantor B (Joint and Several) in favour of Mayfair Pacific Finance to secure the obligation of Company A under the Loan Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guarantor A and Guarantor B both are being an individual and an Independent Third Party. Guarantor A and Guarantor B both are the directors 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. Based on the assessment of Mayfair Pacific Finance, after considering the past credit records and backgrounds of Company A, Guarantor A and Guarantor B in accordance with its credit policy together with the valuation of the property, Mayfair Pacific Finance considers the credit risk relating to the entering into of the Loan Agreement is relatively low.
- Repayment:** Company A shall repay the interest on 29th day of every month (except for February, interest shall be paid on 28th day of February) during the term of the Loan and shall repay the principal amount of the Loan together with interest accrued thereon on the due date of the Loan.
- Date of making the Loan:** 30 April 2018

## **FUNDING OF THE LOAN**

The Group will finance the Loan 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.

## **PREVIOUS LOAN**

Company A has the following previous loan arrangement with Mayfair Pacific Finance:-

### Previous Loan Agreement

The loan agreement dated 26 March 2018 and entered into between Mayfair Pacific Finance as lender and Company A as borrower, pursuant to which Mayfair Pacific Finance has agreed to grant a secured loan in amount of HK\$13,000,000, bearing an interest rate of 12% per annum for a term of 12 months from the date of making the advance, details of which were disclosed in the announcement published by the Company on 26 March 2018. The loan amount of the Previous Loan Agreement is not yet due for repayment as at the date of this announcement.

## **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 AGREEMENT**

The grant of the Loan 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 the Loan Agreement 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 and Guarantor B. The terms of the Loan Agreement are entered into on a normal commercial terms based on the credit policy of Mayfair Pacific Finance. The terms of the Loan 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 Loan 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 Agreement and the terms and conditions of the Loan Agreement (including the interest rate and principal amounts of the Loan) 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 exceed 5% but are less than 25%, the entering into of the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under 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 Agreement 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 Agreement, a guarantor being an individual and an Independent Third Party
“Guarantor B”	Under the Loan Agreement, 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”	the loan agreement dated 30 April 2018 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in relation to the grant of Loan
“Loan”	the loan with principal amount of HK\$18,000,000 under the 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

“Previous Loan Agreement”	the loan agreement dated 26 March 2018 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in respect of a secured loan in the principal amount of HK\$13,000,000
“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, 30 April 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*