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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 7 September 2015, Mayfair Pacific Finance, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the Facility Letter pursuant to which Mayfair Pacific Finance has agreed to grant the Loan in the amount of HK\$17,000,000 to Company A for a term of 6 months from the date of making the advance.

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

On 7 September 2015, Mayfair Pacific Finance, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the Facility Letter pursuant to which Mayfair Pacific Finance has agreed to grant the Loan in the amount of HK\$17,000,000 to Company A for a term of 6 months from the date of making the advance.

A summary of the principal terms of the Facility Letter is set out below:

THE FACILITY LETTER

Date: 7 September 2015

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 Facility Letter, Mayfair Pacific Finance has agreed to grant the Loan in the amount of HK\$17,000,000 to Company A subject to and conditional upon the terms and conditions set out in the Facility Letter.

Save for the Facility Letter 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 in the past.

- Principal:** HK\$17,000,000
- Interest rate:** 22% per annum
- Term:** 6 months commencing from the date of making the Loan
- Security:** A second legal charge/mortgage in respect of properties located in Hong Kong with preliminary valuation on 7 September 2015 with an amount of approximately HK\$54,000,000. The residual value of the properties 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 in favour of Mayfair Pacific Finance to secure the obligation of Company A under the Facility Letter. 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 Company is of the view that based on the valuation, the security would be sufficient to cover the loan amount under the Facility Letter. Based on the assessment of Mayfair Pacific Finance, after considering the past credit records and backgrounds of Company A and Guarantor in accordance with its credit policy, Mayfair Pacific Finance considers the credit risk relating to the entering into of the Facility Letter is relatively low.
- Repayment:** Company A shall draw and deposit with Mayfair Pacific Finance's solicitors 6 post-dated cheques of HK\$311,667 each and each one of such 6 cheques is for the payment of 1 month's interest and those cheques should respectively be post-dated for 6 calendar months running from 1 month after the date of making the Loan and thereafter on the same date of each succeeding calendar month until the end date of the 6 calendar month from the date of making the Loan. Company A shall also draw and deposit with Mayfair Pacific Finance's solicitors a post-dated cheque (with the day of the end date of the 6 calendar month from the date of making the Loan) for the repayment of the principal of the Loan in the sum of HK\$17,000,000.

Early Repayment: Early repayment in the first three months after the date of making the Loan is subject to payment of all three months' interest. One month's notice in advance is required for early repayment in anytime.

Date of making the Loan: On or before 16 October 2015

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.

INFORMATION ON THE GROUP AND MAYFAIR PACIFIC FINANCE

The Group is principally engaged in the provision of cold storage and related business, and trading and related business in the PRC. 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 FACILITY LETTER

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 Facility Letter are negotiated on an arm's length basis between Mayfair Pacific Finance and Company A with regarding to, among others, the financial background and repayment record of Company A and Guarantor. The terms of the Facility Letter 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 Facility Letter and the terms and conditions of the Facility Letter (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 exceed 5% but are less than 25%, the entering into of the Facility Letter 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 Facility Letter 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
“Facility Letter”	the facility letter dated 7 September 2015 and entered into between Mayfair Pacific Finance as lender and Company A as borrower in respect of the Loan
“Group”	the Company and its subsidiaries
“Guarantor”	Under the Facility Letter, 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”	the loan with principal amount of HK\$17,000,000 under the Facility Letter
“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, 7 September 2015

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 purpose only*