
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Da Yu Financial Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibilities for the contents of the Prospectus Documents, make no representations as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the section headed “Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



DA YU FINANCIAL HOLDINGS LIMITED

大禹金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1073)

ONE FOR ONE RIGHTS ISSUE ON A NON-UNDERWRITTEN BASIS

Financial Adviser to the Company



禹銘投資管理有限公司

YU MING INVESTMENT MANAGEMENT LIMITED

Capitalised terms used in this cover have the same meanings as those defined in this Prospectus.

It should be noted that the Shares have been dealt on an ex-rights basis from Tuesday, 2 January 2024. Dealings in the Rights Shares in their nil-paid form will take place from Monday, 15 January 2024 to Monday, 22 January 2024, (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

The Rights Issue will be made on a non-underwritten basis. There is no requirement for a minimum level of subscription in the Rights Issue and there is no minimum amount to be raised under the Rights Issue. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced.

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 25 January 2024. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out in “Letter from the Board” of this Prospectus.

11 January 2024

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DEFINITION

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meaning:

“Announcement”	the announcement of the Company dated 17 November 2023 in relation to, among other things, the Rights Issue
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Audited NAV”	the audited consolidated net asset value attributable to owners of the Company of approximately HK\$471,729,000 as at 31 December 2022
“Audited NAV per share”	the Audited NAV divided by 1,139,330,190 Shares in issue as at the Last Trading Day
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered in the name of a Registered Shareholder
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, a Sunday, a public holiday and a day on which typhoon signal no. 8 or above or a black rainstorm warning signal and/or extreme condition is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“Circular”	the circular dated 11 December 2023 in respect of, among other things, the Rights Issue
“Company”	Da Yu Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board (stock code: 1073)
“controlling shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITION

“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders to apply for Excess Rights Shares
“ED(s)”	the executive Director(s)
“EGM”	the extraordinary general meeting of the Company convened on Thursday, 28 December 2023 to consider and approve, among other things, the Rights Issue and the transactions contemplated thereunder
“Excess Rights Share(s)”	any Rights Share(s) provisionally allotted but not subscribed for prior to the Latest Time for Acceptance, any entitlements not provisionally allotted to any Non-Qualifying Shareholders
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Fund”	Yu Ming High Dividend Fund, a fund incorporated as an exempted limited company in the Cayman Islands in June 2021 and registered as a regulated mutual fund under the Mutual Funds Act (2021 Revision) of the Cayman Islands
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the Independent Board Committee which comprises all the independent non-executive Directors, namely, Mr. Chan Sze Chung, Mr. Suen Chi Wai and Mr. Sum Wai Kei, Wilfred, established to advise the Independent Shareholders in respect of the Rights Issue and as to voting
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in relation to the Rights Issue and as to voting

DEFINITION

“Independent Shareholder(s)”	Shareholder(s) other than the Directors (excluding independent non-executive Directors) who are required under the Listing Rules to abstain from voting at the EGM
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant
“Last Trading Day”	Friday, 17 November 2023, being the date of the Announcement and the last full trading day of the Shares on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Practicable Date”	4 January 2024, being latest practicable date prior to the publication of this Prospectus for ascertaining certain information herein
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 25 January 2024, or such other time and date as the Company may determine, being the latest time and date for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares
“Listing Committee”	the listing committee of the Stock Exchange for considering application for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM

DEFINITION

“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making reasonable enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus in connection with the Rights Issue
“Prospectus Documents”	this Prospectus, the PAL and the EAF issued by the Company
“Prospectus Posting Date”	Thursday, 11 January 2024, being the despatch date of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Wednesday, 10 January 2024, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registered Shareholder”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Share(s) in which the Beneficial Owner is beneficially interested

DEFINITION

“Registrar”	Hong Kong Registrars Limited, the Company’s Hong Kong branch share registrar and transfer office at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date at the Subscription Price
“Rights Share(s)”	up to 1,139,330,190 new Shares proposed to be offered to the Qualifying Shareholders for subscription by way of the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.15 per Rights Share under the Rights Issue
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC (as may be amended from time to time)
“Unaudited NAV”	the unaudited net asset value attributable to owners of the Company of approximately HK\$475,932,000 as at 30 June 2023
“Unaudited NAV per share”	the Unaudited NAV divided by 1,139,330,190 Shares in issue as at the Last Trading Day
“US”	the United States of America
“%”	per cent.

DEFINITION

Notes:

1. Certain amounts and percentage figures in this Prospectus have been subject to rounding adjustments.
2. The singular includes the plural and vice versa, unless the context otherwise requires.
3. References to any appendix, paragraph and any sub-paragraphs of them are references to the appendices to, and paragraphs of, this Prospectus and any sub-paragraphs of them respectively.
4. References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Prospectus.
5. Reference to one gender is a reference to all or any genders.
6. In case of any discrepancy or inconsistency between the English and Chinese versions, the English version shall prevail.

EXPECTED TIMETABLE

All times stated in this Prospectus refer to Hong Kong times and dates. Any changes to the anticipated timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

Event	Date (Hong Kong time)
First day of dealings in nil-paid Rights Share	Monday, 15 January 2024
Latest time for splitting the PAL	4:30 p.m. on Wednesday, 17 January 2024
Last day of dealing in nil-paid Rights Shares	Monday, 22 January 2024
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for Excess Rights Shares	4:00 p.m. on Thursday, 25 January 2024
Announcement of results of the Rights Issue	Thursday, 1 February 2024
Despatch of share certificates for fully-paid Rights Shares or refund cheques for payment for Rights Shares if the Rights Issue does not proceed	Friday, 2 February 2024
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 5 February 2024

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for Rights Shares and application and payment for Excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, a “black” rainstorm warning signal and/or extreme conditions is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 25 January 2024. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 25 January 2024. Instead, the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares does not take place on Thursday, 25 January 2024, the dates mentioned in the timetable section above may be affected. The Company will notify the Shareholders by way of announcement of any change to the timetable as soon as practicable.

LETTER FROM THE BOARD



DA YU FINANCIAL HOLDINGS LIMITED

大禹金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1073)

Non-executive Directors

Mr. Kuo Jen Hao (*Chairman*)

Mr. Xu Haohao

Executive Directors

Mr. Lee Wa Lun, Warren (*Managing Director*)

Mr. Lam Chi Shing

Ms. Li Ming

Independent Non-executive Directors

Mr. Chan Sze Chung

Mr. Suen Chi Wai

Mr. Sum Wai Kei, Wilfred

Registered office

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head office and

Principal Place of Business

Room 1801, 18th Floor

Allied Kajima Building

138 Gloucester Road

Wanchai, Hong Kong

11 January 2024

To the Shareholders

Dear Sir or Madam,

**ONE FOR ONE RIGHTS ISSUE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

On 17 November 2023, the Company proposed to raise up to approximately HK\$170.9 million before expenses by way of the issue to the Qualifying Shareholders of a maximum of 1,139,330,190 Rights Shares at the Subscription Price of HK\$0.15 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date. The Rights Issue is available only to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. The Rights Issue was approved by the Independent Shareholders at the EGM convened on 28 December 2023.

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with, among others, further details on the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, and certain financial information and other general information on the Group.

PROPOSED RIGHTS ISSUE

Details of the Rights Issue are summarised below:

Basis of Rights Issue:	One (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.15 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	1,139,330,190 Shares
Maximum number of Rights Shares to be issued pursuant to the Rights Issue:	1,139,330,190 Rights Shares
Aggregate nominal value of the Rights Shares:	HK\$113,933,019
Total number of Shares in issue immediately upon completion of the Rights Issue:	2,278,660,380 Shares (assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Maximum proceeds from the Rights Issue before expenses:	Approximately HK\$170.9 million
Maximum net proceeds from the Rights Issue:	Approximately HK\$170.0 million
Rights of excess application:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

As at the Latest Practicable Date, there are no options, warrants, derivatives or other convertible securities granted by the Company which confer rights to subscribe for, convert or exchange into Shares.

LETTER FROM THE BOARD

Assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the maximum of 1,139,330,190 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent approximately (i) 100% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Irrevocable Undertaking

As at the Latest Practicable Date, save for Mr. Lee Wa Lun, Warren, Mr. Lam Chi Shing and Ms. Li Ming (being EDs), who are interested in 227,250,000 Shares, 17,800,000 Shares and 17,800,000 Shares respectively and have indicated that they will not subscribe for their entitled Rights Shares and will not apply for the Excess Rights Shares, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue or if they will apply for the Excess Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders will be made available for excess application under the EAFs. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

As the Rights Issue is not underwritten basis and has not set a minimum subscription amount, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Shares subject to scale down will be available for application as Excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilized due to the scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price of HK\$0.15 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 11.11% over the closing price of HK\$0.135 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 11.11% over the average closing price of approximately HK\$0.135 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 4.90% over the average closing price of approximately HK\$0.143 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 4.46% to the average closing price of approximately HK\$0.157 per Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 9.09% to the average closing price of approximately HK\$0.165 per Share as quoted on the Stock Exchange for the ninety consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 21.05% to the closing price of HK\$0.190 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vii) a premium of approximately 4.90% over the theoretical ex-rights price of approximately of HK\$0.143 per Share based on the closing price of HK\$0.135 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (viii) a discount of approximately 63.41% to the Audited NAV per Share as at 31 December 2022 of approximately HK\$0.41 and discount of approximately 64.29% to the Unaudited NAV per Share as at 30 June 2023 of approximately HK\$0.42.

LETTER FROM THE BOARD

There is no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) given that the theoretical diluted price of approximately HK\$0.143 per Share is higher than the benchmarked price of HK\$0.135 per Share (as defined under Rule 7.27B of the Listing Rules, which is the higher of the closing price on the Last Trading Day of HK\$0.135 per Share and the average closing prices of the Shares as quoted on the Stock Exchange in the five consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.135 per Share).

The Subscription Price was determined with reference to, among others, (i) the prevailing market conditions and overall market sentiment of Hong Kong stock market, which have a direct impact in the trading price of the Shares, where the closing price of the Shares as quoted on the Stock Exchange was approximately HK\$0.155 per Share when the Rights Issue was internally discussed by the management; (ii) the management's intention to expand asset management business segment to mitigate business risks in light of the financial performance of the Group for the year ended 31 December 2022 and six months ended 30 June 2023; (iii) the fund-raising size intended by the Company; and (iv) the reasons for and benefits of proposed Rights Issue as discussed in the section headed "Reasons for and Benefits of the Rights Issue and Use of Proceeds".

The Board (excluding the independent non-executive Directors, whose recommendation are included in the "Letter from the Independent Board Committee" of the Circular) considers that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue for the purpose of maintaining their respective existing shareholding interests in the Company; (ii) the management believes that the current global economic environment and market conditions present an opportune moment to launch the Fund; (iii) the Subscription Price represents a discount of approximately 4.46% and 9.09% to the average of the closing prices of the Shares for the last 30 consecutive trading days and 90 consecutive trading days up to and including the Last Trading Day respectively, in particular, the Subscription Price represents a discount to the closing price of the Shares for most of the trading days of the year, with the exception of the most recent six trading days traded in very thin volume and such discounts would encourage the Qualifying Shareholders to subscribe for their assured entitlements under the Rights Issue; and (iv) discount of approximately 63.41% to Audited NAV as at 31 December 2022 and approximately 64.29% to Unaudited NAV as at 30 June 2023 to the Subscription Price is a phenomenon beyond the control of the Company, a gap between accounting and market force.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (i) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the EGM for the transactions contemplated under the Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully paid forms;
- (ii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorizing registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;
- (iii) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;
- (iv) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);
- (v) no applications of Rights Shares or Excess Rights Shares by any Shareholders which would result in (a) a general offer obligation as required under the Takeovers Code being triggered, or (b) public float of the Company to decrease to below 25% of the total issued Shares, be allowed, in which circumstance, relevant applications of Rights Shares and Excess Rights Shares will be scaled down and subscription monies not utilized due to scaled down application will be refunded to the affected applicants; and
- (vi) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before 5:00 p.m. on 30 June 2024 (or such later date as the Company may determine), the Rights Issue will not proceed.

As the Latest Practicable Date, condition (i) has been fulfilled, and upon the Qualifying Shareholders' receipt of the Prospectus Documents, conditions (ii) and (iii) above can be considered as fulfilled.

LETTER FROM THE BOARD

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholder as at the close of business on the Record Date.

The PAL entitle the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before the Latest Time for Acceptance.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date. Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date whom the Company, based on legal opinions to be provided by legal advisers, considers necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as Qualifying Shareholders.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

Qualifying Shareholders who take up their pro rata assured entitlement in full will not suffer any dilution to their interests in the Company. **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company may be diluted.**

LETTER FROM THE BOARD

The Overseas Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. As at the Record Date, there was one Overseas Shareholder with address in the PRC, who held 1,560 Shares (representing approximately 0.0001% of the total number of Shares in issue as at the Record Date).

The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made reasonable enquiries of the legal requirements regarding the feasibility of extending the Rights Issue to the Overseas Shareholder.

The legal adviser to the Company as to PRC laws is of the view that if the proposed Rights Issue is made by the Company in Hong Kong and the Rights Issue is being made by the Company to the Shareholder(s) whose registered address is in the PRC solely by reason that they are existing Shareholder(s), there are no restrictions under securities law or other similar laws in the PRC which would prevent the Company from including the PRC Shareholder(s) in the Rights Issue.

If a Shareholder resident in the PRC and/or any other PRC resident (including both individuals and companies) wishes to invest in the nil-paid Rights Shares or the fully-paid Rights Shares, he/she/it shall be responsible for complying with the relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or the fully-paid Rights Shares to any such Shareholder and/or resident, if issuing the nil-paid Rights or the fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

Since there was no Non-Qualifying Shareholder as shown on the register of members of the Company on the Record Date, no arrangements will need to be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) to be provisionally allotted to a nominee and to be sold in the market in their nil-paid form.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Rights Shares or to take up any entitlements to the Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) existing Share held on the Record Date, no fractional entitlements to the Rights Shares shall be issued to the Shareholders.

Odd lot arrangement

No odd lot matching services will be provided.

Procedures for acceptance, payment and transfer

Any person (including, without limitation, agents, custodians, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the PAL(s) and/or EAF(s) by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions in connection with the PAL and/or the EAF(s) and any acceptance of the PAL, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application or subscription for or transfer of Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation.

LETTER FROM THE BOARD

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown thereon. If a Qualifying Shareholder(s) wish(es) to take up his/her/their right to subscribe for any or all the Rights Shares provisionally allotted to him/her/them as specified in the PAL, he/she/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to **"DA YU FINANCIAL HOLDINGS LIMITED – PROVISIONAL ALLOTMENT ACCOUNT"** and crossed **"Account Payee Only"**.

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by the Latest Time for Acceptance, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be made available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged but may, at its absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedures to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately upon receipt and any interests earned on such monies will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

If the conditions of the Rights Issue are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the nil-paid Rights Shares have been validly transferred) without interest, by means of cheques to be despatched by ordinary post to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members or the transfer form, at their own risk.

Transfer and “Splitting” of nil-paid Rights Shares

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation no later than 4:30 p.m. on Wednesday, 17 January 2024 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as “splitting” the nil-paid Rights Shares.

Having “split” the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the registration information in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar by no later than the Latest Time for Acceptance.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS)

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed “Expected Timetable” of this Prospectus in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in nil-paid Rights Shares should be dealt with.

LETTER FROM THE BOARD

Application for Excess Rights Shares

All Qualifying Shareholders are entitled to apply by way of excess application under the EAFs for additional Rights Shares in excess of their assured entitlements.

The Excess Rights Shares will comprise:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders; and
- (iii) any Rights Shares which would otherwise be allotted but subject to scale down (as described below).

Application for Excess Rights Shares can be made only by Qualifying Shareholders duly completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Thursday, 25 January 2024.

Qualifying Shareholders who wish to apply for Excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

A Shareholder who applies to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Shares subject to scale down will be available for application as Excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilized due to scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

LETTER FROM THE BOARD

Basis of allocation of Excess Rights Shares

The Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis as far as practicable on the following principles:

- (i) if there are insufficient Excess Rights Shares to satisfy all EAFs, Excess Rights Shares will be allocated on a pro rata basis by reference to the number of Excess Rights Shares applied for in the relevant EAFs by the relevant Qualifying Shareholders;
- (ii) otherwise (i.e. if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs), Excess Rights Shares will be allocated in full in accordance with the EAFs to each Qualifying Shareholder who applies for Excess Rights Shares.

For the avoidance of doubt, in applying the principles above, reference will only be made to the number of Excess Rights Shares being applied for in the relevant EAFs, and no reference will be made to the Rights Shares comprised in applications through PAL or the existing number of Shares held by the relevant Qualifying Shareholders and no preference will be given to applications for topping up odd lots.

Important notice to Beneficial Owners: Shareholders whose Shares are held by a nominee (or held through CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the aforesaid arrangement for allocation of Excess Rights Shares by the Company may not be extended to the Beneficial Owners individually.

Action to be taken by Qualifying Shareholders who wish to apply for Excess Rights Shares

Application for Excess Rights Shares can be made only by Qualifying Shareholders duly completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Thursday, 25 January 2024.

All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to **"DA YU FINANCIAL HOLDINGS LIMITED – EXCESS APPLICATION ACCOUNT"** and crossed **"Account Payee Only"**.

Qualifying Shareholders who wish to apply for Excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

LETTER FROM THE BOARD

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for Excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown on the Record Date in the register of members of the Company.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and lodgement of an EAF together with a cheque or cashier's order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

The Company is not obliged but may, at its absolute discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If no Excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder. If the number of Excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to that Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder.

If the conditions of the Rights Issue are not fulfilled, the monies received in respect of relevant applications for Excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered address, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members, at their own risk.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS) who wish to apply for Excess Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to apply for Excess Rights Shares, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to such application. Such instructions and/or arrangements should be given or made in advance and before the latest time for application and payment for Excess Rights Shares stated in the section headed “Expected Timetable” of this Prospectus, in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for Excess Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for Excess Rights Shares, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to such application. Such instructions and/or arrangements should be given or made in advance and before the date stated in the section headed “Expected Timetable” of this Prospectus as the latest time for application and payment for Excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect.

The procedures for application for Excess Rights Shares by CCASS participants shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for Excess Rights Shares. HKSCC Nominees Limited will allocate the Excess Rights Shares it receives to the relevant CCASS participants pro rata to the number of Excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

LETTER FROM THE BOARD

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully paid and successful Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Friday, 2 February 2024. Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares and Excess Rights Shares, or if the Rights Issue does not proceed, are expected to be despatched on or before Friday, 2 February 2024 to the applicants without interest to their registered addresses by ordinary post at their own risks.

Application for listing

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 5,000 Rights Shares, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

Admission of Rights Shares into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted to CCASS.

LETTER FROM THE BOARD

Stamp duty, taxation and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in (i) the provision of corporate finance advisory services; (ii) provision of asset management services; (iii) securities broking and placing; and (iv) money lending business in Hong Kong.

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue will be approximately HK\$170.9 million and the estimated net proceeds of the Rights Issue will be approximately HK\$170.0 million. The estimated expenses of the Rights Issue are approximately HK\$0.9 million, which include professional fees payable to legal counsels, Independent Financial Adviser, financial printer and other parties involved in the Rights Issue and will be borne by the Company. The net subscription price per Rights Share is expected to be approximately HK\$0.149.

The Company intends to apply approximately HK\$150 million of the net proceeds from the Rights Issue as the seed money into the Fund to expand its asset management business and HK\$20 million as capital for the Group's money lending business. In the event that the Rights Issue is not fully subscribed, the Company intends to allocate all the net proceeds to its asset management business, any funds raised above HK\$150 million will then be allocated to the money lending business.

Expansion of asset management business

Due to the nature of our corporate finance advisory services of non-repetitive basis, income from corporate finance business is volatile, and usually dwindles during low activity years such as 2023, which the management team hopes to mitigate with a new fund in our asset management business.

LETTER FROM THE BOARD

Through Yu Ming Investment Management Limited (“Yu Ming”), a wholly-owned subsidiary of the Company, the Group has been providing asset management services solely to SHK Hong Kong Industries Limited (“SHK”), the first investment company listed on the Stock Exchange. Although SHK was privatised in April 2021, the investment management agreement with SHK continues. For the years ended 31 December 2021 and 2022 and the six months ended 30 June 2023, the Group’s asset management business recorded revenue of approximately HK\$18,292,000, HK\$15,686,000 and HK\$7,801,000 respectively.

The Group has been seeking opportunities to diversify its asset management business. In view of this, Yu Ming took the initiative to establish the Yu Ming High Dividend Fund in June 2021. The Fund’s investment objective is to deliver periodic income and achieve long-term capital appreciation in US dollar terms. Its primary focus will be high-yield dividend equities listed on the Stock Exchange and fixed income securities. The Fund being market driven, does not have a specified target return, is expected to invest up to 20% of its net asset value in securities from a single issuer. It is anticipated that the Fund will have more than 10 underlying investments. While there is no specified investment horizon, typically, each individual investment will have a minimum time frame of six months. Investments with shorter time frames will be considered opportunistic and supplementary in nature. Following the completion of the Rights Issue scheduled for February 2024, we anticipate that the Fund will be launched by the end of March 2024.

Since its establishment, the Fund has remained inactive as it awaited favorable market conditions to launch. Recent developments in Hong Kong debt markets and increase in US dollar interest rates have created an opportune moment for the Fund to commence operations. Additionally, the Federal Reserve of the United States recently hinted at a pause in interest rate hikes, and there are indications of initial weakness in the job market, potentially signaling an upcoming recession in the US. Consequently, it is anticipated that the US will enter a period of moderate interest rate cuts in 2024. High-yielding securities generally exhibit a positive response to lower discount rates. The Group perceives these circumstances as an advantageous backdrop to launch the Fund as it is anticipated to benefit capital appreciation after fully investing in fixed income securities or high-dividend equities, particularly during the US interest rate cut cycle.

At present, Yu Ming is the sole management shareholder and is the investment manager of the Fund. As part of the Fund’s initial capitalization, the Group intends to allocate HK\$150 million from the Rights Issue (or the entire net proceeds if the Rights Issue does not raise more than HK\$150 million) as seed money. There is no minimum initial capitalization requirement of the Fund. Following the Fund’s launch, an additional HK\$150 million is planned to be raised from third-party professional investors. The launching of the Fund will strategically grow our asset management business and strengthen income stream of the Group.

LETTER FROM THE BOARD

Expansion of money lending business

In 2022, the Company acquired Morgan Finance Limited (“Morgan”), a company engaged in money lending business. Morgan holds a money lenders license granted by the licensing court, in accordance with the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the Money Lenders Regulations, enabling it to conduct money lending business in Hong Kong. As of the year ended 31 December 2022, all of the Group’s money lending business is conducted through Morgan and its subsidiary, which generated revenue of approximately HK\$11,044,000 and a profit before tax of approximately HK\$9,618,000. However, Morgan’s business scale has been constrained by the availability of capital. To address this limitation, the Group will inject HK\$20 million, being the remaining proceeds from the Rights Issue, to increase the financial resources of Morgan, which will enable Morgan to seize new growth opportunities.

Fund Raising Method

The Company has considered alternative fundraising methods which include debt financing and placing of new Shares or open offer and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group’s long-term growth with long term financing, preferably in the form of equity which will not increase the Group’s finance costs and liquidity risk. For debt financing, given the prevailing interest rate, the financial cost for obtaining a long term loan from financial institutions will be considerably high. For placing of new Shares, it would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis and the non-subscribing Qualifying Shareholders to dispose of their nil paid rights in the market. As for open offer, while it is similar to a right issue, it does not allow free trading of rights entitlements in the open market. In view of the above, the Company considers that the Rights Issue is an appropriate means to raise fund.

As the Company is raising capital for expansion, but not for discharging financial obligations or for fulfilling a forthcoming contractual commitment, there is no need to have an assured amount to be raised. The current state of the Hong Kong capital market is expected to command a high underwriting fee for the Rights Issue, and without the need of an assured amount to be raised, the Board believes the cost of the underwriting outweighs its benefits.

In view of the above and the reasons described in the sub-section headed “Subscription Price” under the section headed “Proposed Rights Issue” above, the Board (excluding the independent non-executive Directors, whose recommendation are included in the “Letter from the Independent Board Committee” of the Circular) considers that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

For illustrative purpose only, set out below are the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue (assuming no acceptance of the Rights Shares by any Qualifying Shareholders and no Excess Rights Shares taken up); (iii) immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders except EDs and no Excess Rights Shares taken up); and (iv) immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders except EDs and Excess Rights Shares fully taken up on pro-rata basis):

	(i) As at the Latest Practicable Date		(ii) immediately after completion of the Rights Issue (assuming no acceptance of the Rights Shares by any Qualifying Shareholders and no Excess Rights Shares taken up)		(iii) immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders except EDs and no Excess Rights Shares taken up)		(iv) immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders except EDs and Excess Rights Shares fully taken up on pro-rata basis)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
First Steamship Company Limited ^{1, 2}	331,660,000	29.11	331,660,000	29.11	579,500,000	29.99	683,370,248	29.99
Xu Haohao ^{2, 3}	214,783,614	18.85	214,783,614	18.85	429,567,228	22.23	525,285,796	23.05
Lee Wa Lun, Warren ⁴	227,250,000	19.94	227,250,000	19.94	227,250,000	11.76	227,250,000	9.97
Lam Chi Shing ⁴	17,800,000	1.56	17,800,000	1.56	17,800,000	0.92	17,800,000	0.78
Li Ming ⁴	17,800,000	1.56	17,800,000	1.56	17,800,000	0.92	17,800,000	0.78
Public Shareholders	330,036,576	28.98	330,036,576	28.98	660,073,152	34.18	807,154,336	35.43
Total	1,139,330,190	100	1,139,330,190	100	1,931,990,380	100	2,278,660,380	100

Notes:

1. First Steamship Company Limited is a company listed on the Taiwan Stock Exchange Corporation (“TWSE”) (TWSE stock code: 2601). As at the Latest Practicable Date, Henghua Investment Co., Ltd., is the single largest shareholder of First Steamship Company Limited, holding approximately 6.92% of the issued shares of First Steamship Company Limited.
2. As one of the conditions of the Rights Issue is subject to no general offer obligation being triggered under the Takeovers Code, shareholding of First Steamship Company Limited will be scaled down to below 30% in scenario (iii) and (iv) above. Pursuant to class (1) of the definition of “acting in concert” under the Takeovers Code, First Steamship Company Limited and Mr. Xu Haohao will be presumed to be acting in concert in the event that their respective shareholding in the Company both increased to 20% or more as a result of the Rights Issue. In the event a general offer obligation is triggered under the Takeovers Code, First Steamship Company Limited and Mr. Xu Haohao may make application to the Executive to rebut such presumption and/or scale down their shareholding or take other actions as appropriate.
3. Mr. Xu Haohao is a non-executive Director.
4. Mr. Lee Wa Lun, Warren, Mr. Lam Chi Shing and Ms. Li Ming are EDs.

LETTER FROM THE BOARD

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fundraising activity involving issue of equity securities in the past twelve months immediately preceding the Announcement and up to the Latest Practicable Date.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 month period immediately preceding the Latest Practicable Date, the Rights Issue will be subject to the approval by the Independent Shareholders at the EGM by way of poll at which the controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

The Rights Issue has been approved by the Independent Shareholders at the EGM held on 28 December 2023 and the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates have abstained from voting in favour of the Rights Issue at the EGM.

The Rights Issue has no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules).

FURTHER INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this Prospectus.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares and/or the nil-paid Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

LETTER FROM THE BOARD

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

On behalf of the Board
Da Yu Financial Holdings Limited
Kuo Jen-Hao
Chairman

SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the unaudited consolidated financial information of the Group for the six months ended 30 June 2023 and the audited consolidated financial information of the Group for the years ended 31 December 2020, 2021 and 2022 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<https://www.irasia.com/listco/hk/dayufinancial>):

- (i) the unaudited financial information of the Group for the six months ended 30 June 2023 is in the interim report of the Company six months ended 30 June 2023 published on 13 September 2023, from pages 18 to 56 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0913/2023091300345.pdf>);
- (ii) the audited financial information of the Group for the year ended 31 December 2022 is in the annual report of the Company for the year ended 31 December 2022 published on 21 April 2023, from pages 72 to 167 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0421/2023042100453.pdf>);
- (iii) the audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 21 April 2022, from pages 71 to 155 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042100920.pdf>); and
- (iv) the audited financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 23 April 2021, from pages 68 to 155 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0423/2021042300967.pdf>).

STATEMENT OF INDEBTEDNESS

As at 30 November 2023, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this Prospectus, the Group had outstanding indebtedness of lease liabilities amounting to approximately HK\$3,809,000, which are unsecured and unguaranteed.

Save for the aforesaid outstanding indebtedness of lease liabilities as at the close of business on 30 November 2023, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills and payables), acceptance credits, debentures, mortgages, pledges, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful enquiries, are of the opinion that, after taking into account the financial resources presently available to the Group including internally generated funds and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of publication of this Prospectus.

MATERIAL ADVERSE CHANGE

As disclosed in the interim report of the Group for the six months ended 30 June 2023, the Group recorded a net profit of approximately HK\$4.2 million for the interim period (2022: approximately HK\$21.8 million), representing a decrease in profit of approximately HK\$17.6 million. The reasons were mainly due to the drop in corporate finance advisory income and the absence of substantial fee income in the money lending business during the interim period despite the favourable decreases in investment loss, amortisation charge of intangible assets and resulting tax effect.

Further as disclosed in the announcement of the Company dated 23 November 2023, based on the unaudited financial information then available together with the Group's unaudited consolidated management accounts for the ten months ended 31 October 2023, owing to goodwill impairment, the Group is expected to record a consolidated net loss of approximately HK\$170 million for the year ending 31 December 2023, as compared to the profit of approximately HK\$5 million for the year ended 31 December 2022.

The consolidated net loss is primarily attributable to the anticipated recognition of non-cash impairment loss on goodwill of approximately HK\$178 million for the year ending 31 December 2023. The remaining goodwill balance will be approximately HK\$103 million after the aforesaid impairment. The corporate finance business of the Group is volatile in nature and subject to market sentiment, given the dampened stock market condition and low activities in the capital markets in Hong Kong, such impairment of goodwill is considered necessary. The impairment loss on goodwill will not have any cash flow impact to the operations of the Group.

Save as disclosed above, as at the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Group since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up).

BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT

The Group is principally engaged in (i) the provision of corporate finance advisory services; (ii) provision of asset management services; (iii) securities broking and placing; and (iv) money lending business in Hong Kong.

Corporate finance advisory services

Our corporate finance business is volatile in nature and subject to market sentiment. During the six months ended 30 June 2023, the Group's corporate finance business revenue declined compared to the same period in 2022, primarily due to decreased primary and secondary fundraising activities, dampened stock market conditions, and lower capital market activities in Hong Kong. To mitigate these challenges, the Group is actively seeking new engagements for its corporate finance advisory services. Despite miserable market conditions, we still secured over 15 mandates on various transactions in 2023 covering privatisation, general offer, resumption of trading, rights issue and fund raising, as well as advising on contentious situation. However, due to the nature of this business, the performance of this segment largely depends on the Group's ability to secure new mandates in the areas it specializes in, as the corporate finance practice operates primarily on a project basis.

Provision of asset management services

The Group's asset management business offers a recurring revenue. It consists of providing asset management services to SHK, an investment company formerly listed on the Main Board. The performance of the asset management business has remained stable in recent years. For the years ended 31 December 2021 and 2022, as well as the six months ended 30 June 2023, the Group's asset management business recorded revenues of approximately HK\$18,292,000, HK\$15,686,000, and HK\$7,801,000, respectively.

The asset management fee structure under the management agreement with SHK consists of base management fee and performance fee. Base management fee is stable and regular in nature, based on the asset value of SHK from time to time. Performance fee is volatile, depending on the investment performance of SHK every year, subject to high watermark clause. The performance of this segment largely depends on how well the Group manages to make asset allocations and invest in individual securities of SHK.

On another hand, increase in US dollar interest rates have created an opportune moment for the Fund to commence operations. Additionally, the Federal Reserve of the United States recently hinted at a pause in interest rate hikes, and there are indications of initial weakness in the job market, potentially signaling an upcoming recession in the US. High-yielding securities generally exhibit a positive response to lower discount rates. Consequently, it is anticipated that the US will enter a period of moderate interest rate cuts in 2024. The Group views these circumstances as an advantageous backdrop to launch the Fund, which will further enhance the income of the asset management business.

Securities broking and placing services

The Group's securities broking and placing business is affected by the decrease in turnover on the Stock Exchange, up to 31 October 2023, the average daily turnover of 2023 is HK\$78.8 billion, which is significantly lower than the average daily turnover in 2022 and 2021 of HK\$124.9 billion and HK\$166.7 billion respectively. As at the Latest Practicable Date, there were two placing transactions in 2023 but currently, there are no negotiations for new projects. Nonetheless, the securities broking and placing business is dependent on Hong Kong stock market, but could benefit from the potential pause in interest rate hikes hinted by the Federal Reserve of the US, which may stimulate the market and increase securities trading activities.

Money lending services

In 2022, the Company acquired Morgan, a company engaged in money lending business. As of the year ended 31 December 2022, all of the Group's money lending business is conducted through Morgan and its subsidiary, which generated revenue of approximately HK\$11,044,000 and a profit before tax of approximately HK\$9,618,000.

Morgan made many new loans in 2023 but is currently not in any negotiations for new projects. Despite the impact of COVID-19, inflation, rising interest rates, and geopolitical tensions, the loans market in Hong Kong has remained relatively robust. It is anticipated that Morgan can expand its business and increase its revenue stream by participating in more significant loan transactions after the injection of capital.

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2023 (the “Unaudited Pro Forma Financial Information”) prepared by the Directors in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 as if the Rights Issue had taken place on 30 June 2023.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company immediately or any future date after the completion of the Rights Issue.

The following Unaudited Pro Forma Financial Information was prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023, as extracted from the published interim report for the six months ended 30 June 2023 of the Company and adjusted as described below:

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue <i>HK\$'000</i>
Based on 1,139,330,190 Rights Shares to be issued at Subscription Price of HK\$0.15 per Rights Share	<u>135,428</u> <i>(Note 1)</i>	<u>170,050</u> <i>(Note 2)</i>	<u>305,478</u>
Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 per Share before the completion of the Rights Issue <i>(Note 3)</i>			<u>HK\$0.119</u>
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 per Share immediately after the completion of the Rights Issue <i>(Note 4)</i>			<u>HK\$0.134</u>

Notes:

1. The amount of consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 of approximately HK\$135,428,000 is based on the unaudited consolidated net assets of the Group attributable to owners of the Company of approximately HK\$475,932,000, after deducting goodwill of approximately HK\$281,241,000 and intangible assets of approximately HK\$59,263,000 as at 30 June 2023, as extracted from the Group's published interim report for the six months ended 30 June 2023.
2. The estimated net proceeds of approximately HK\$170,050,000 from the Rights Issue are calculated based on gross proceeds of approximately HK\$170,900,000 from the issue of 1,139,330,190 Rights Shares at the Subscription Price of HK\$0.15 per Rights Share after deduction of the estimated professional fees and other related expenses payable by the Company of approximately HK\$850,000 attributable to the Rights Issue.
3. The unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company as at 30 June 2023 is calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$135,428,000 divided by 1,139,330,190 Shares in issue as at 30 June 2023.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 per share immediately after the completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders except EDs and Excess Rights Shares fully taken up on pro-rata basis) is arrived at based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 immediately after completion of the Rights Issue of approximately HK\$305,478,000 divided by 2,278,660,380 Shares which comprise of 1,139,330,190 Shares in issue as at 30 June 2023 and 1,139,330,190 Rights Shares to be issued assuming that the Rights Issue has been completed on 30 June 2023.
5. Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2023.

The following is the text of the independent reporting accountants' assurance report received from BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this Prospectus.



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B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of Da Yu Financial Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Da Yu Financial Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2023 and related notes as set out on pages 36 to 37 of Appendix II of the Company's prospectus dated 11 January 2024 (the "Prospectus") in connection with the proposed rights issue of the Company on the basis of one Rights Share for every one existing share held by the qualifying shareholders at the close of business on the record date (the "Proposed Rights Issue"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages 36 to 37 of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Rights Issue on the Group's financial position as at 30 June 2023 as if the Proposed Rights Issue had taken place at 30 June 2023. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2023, on which an interim report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Rights Issue at 30 June 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited

Certified Public Accountants

Hong Kong

11 January 2024

RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and following completion of the Rights Issue will be as follows:

As at the Latest Practicable Date

Authorised share capital:	<i>HK\$</i>
10,000,000,000 Shares of HK\$0.10 each	1,000,000,000.00
Issued and paid-up share capital:	
1,139,330,190 Shares of HK\$0.10 each	113,933,019.00

Immediately following the completion of the Rights Issue (assuming no other issue or repurchase of Shares up to completion of the Rights Issue)

Authorised share capital:	<i>HK\$</i>
10,000,000,000 Shares of HK\$0.10 each	1,000,000,000.00
Issued and paid-up share capital:	
2,278,660,380 Shares of HK\$0.10 each immediately following the completion of the Rights Issue	227,866,038.00

All the Shares rank *pari passu* with each other in all respects including the rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with each other and the Shares in issue on the date of allotment and issue of the Rights Shares in all respects including rights to dividends, voting and return of capital. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of issue of the fully-paid Rights Shares.

The Company has made an application to the Stock Exchange for the listing of, and permission to deal in the Rights Shares in both their nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

The Company had not issued any Shares since 31 December 2022, being the end of the last financial year of the Company, and up to the Latest Practicable Date.

As at the Latest Practicable Date, no member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, the Company had no outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, were as follows:

(i) Long positions in the shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of Shares held	Approximate percentage of the total issued share capital of the Company
Mr. Lee Wa Lun, Warren	Beneficial owner	227,250,000	19.94%
Mr. Xu Haohao	Interest of controlled corporation/Beneficial owner	214,783,614 [#]	18.85%
Mr. Lam Chi Shing	Beneficial owner	17,800,000	1.56%
Ms. Li Ming	Beneficial owner	17,800,000	1.56%

[#] Details were disclosed in Note 3 in the sub-section headed "Interest of substantial shareholders" below.

As at the Latest Practicable Date, saved as disclosed above, none of the Directors and chief executive of the Company were interested in or were deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange; or (iv) were required to be disclosed under the Takeovers Code.

Interest of substantial shareholders

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following person, other than a Director or chief executive of the Company, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long position in the Shares

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of the total issued share capital of the Company
First Steamship Company Limited	Beneficial owner	331,660,000 (Note 1)	29.11%
Ms. Cheung Kit Shan Susanna	Interest of a spouse	227,250,000 (Note 2)	19.94%
Beyond Global Enterprises Limited (“Beyond Global”)	Interest of controlled corporation	213,553,614 (Note 3)	18.74%
Victory Gain Ventures Limited (“Victory Gain”)	Beneficial owner	206,768,614 (Note 3)	18.15%
IXL Fund	Beneficial owner	6,785,000 (Note 3)	0.59%
Allied Group Limited (“AGL”)	Interest of controlled corporation	64,590,000 (Note 4)	5.66%
Mr. Lee Seng Hui	Interest of controlled corporation	64,590,000 (Noted 4)	5.66%
Mr. Lee Seng Huang	Interest of controlled corporation	64,590,000 (Note 4)	5.66%
Ms. Lee Su Hwei	Interest of controlled corporation	64,590,000 (Note 4)	5.66%
Mr. Chan Kin	Interest of controlled corporation	57,360,000 (Note 5)	5.03%
Argyle Street Management Holdings Limited (“ASMH”)	Interest of controlled corporation	57,360,000 (Note 5)	5.03%

Notes:

1. First Steamship Company Limited is a company listed on the Taiwan Stock Exchange Corporation (“TWSE”) (TWSE stock code: 2601). As at the Latest Practicable Date, Henghua Investment Co. Ltd., is the single largest shareholder of First Steamship Company Limited, holding approximately 6.92% of the issued shares of First Steamship Company Limited.
2. Ms. Cheung Kit Shan Susanna is the spouse of Mr. Lee Wa Lun, Warren. By virtue of the SFO, Ms. Cheung Kit Shan Susanna is deemed to have an interest in the said shares in which Mr. Lee Wa Lun, Warren is interested.

3. As per notification filed by Mr. Xu Haohao with the relevant event date of 11 December 2023, Victory Gain holds 206,768,614 Shares, which is direct wholly-owned by Beyond Global; IXL Fund holds 6,785,000 Shares, which is indirect wholly-owned by Beyond Global through its wholly-owned subsidiaries; and Beyond Global is wholly-owned by Mr. Xu Haohao. Therefore, Mr. Xu Haohao and Beyond Global are respectively deemed to have an interest in the said shares in which Victory Gain and IXL Fund are interested. In addition, Mr. Xu Haohao has personal interest in 1,230,000 Shares.
4. Universal Way Limited holds 64,590,000 Shares, which is indirect wholly-owned by AGL through its wholly-owned subsidiaries. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. Lee and Lee Trust controlled approximately 74.99% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests). Therefore, Mr. Lee Seng Hui, Ms. Lee Su Hwei, Mr. Lee Seng Huang and AGL are respectively deemed to have an interest in the said shares in which Universal Way Limited is interested.
5. ASM Connaught House Fund LP and ASM Connaught House (Master) Fund III LP hold 45,850,000 Shares and 11,510,000 Shares respectively, which are held indirectly by ASMH through a number of controlled corporations. Mr. Chan Kin has over 50% controlling interests in ASMH. Therefore, Mr. Chan Kin and ASMH are respectively deemed to have an interest in the said shares in which ASM Connaught House Fund LP and ASM Connaught House (Master) Fund III LP are interested.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

DIRECTORS' SERVICES CONTRACTS

As at the Latest Practicable Date, (i) none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) (including continuous and fixed term contracts) had been entered into or amended during the Relevant Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period; and (ii) none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

MATERIAL CONTRACTS

As at the Latest Practicable Date, there is no material contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group from 17 November 2021 (being the date falling two years immediately preceding 17 November 2023 (being the date of the Announcement)) up to and including the Latest Practicable Date.

LITIGATION

As at the Latest Practicable Date, the Group has the following litigations:

1. On 8 May 2017 Yu Ming received a writ of summons dated 5 May 2017 filed by China Health Group Limited (formerly China Healthcare Holdings Limited) as plaintiff (“Plaintiff”) against (i) Yu Ming; (the “Action”) (ii) 賈虹生 ; and (iii) 趙愷 as defendants under High Court Action No. HCA1077/2017. Pursuant to the statement of claim therein, Plaintiff sought, *inter alia*, against Yu Ming a declaration that the engagement letter entered into in March 2016 and another engagement letter entered into in May 2016 between Plaintiff and Yu Ming are void and an order that Yu Ming do forthwith pay the sum of HK\$5,300,000, being the fees paid by Plaintiff to Yu Ming under the said engagement letters, to Plaintiff. Yu Ming has appointed legal advisor to act for it in relation to the Action, and based on the information and documents Yu Ming provided to it, such legal advisor is of the opinion that Yu Ming has good prospect of successfully defending the Action. Furthermore, Yu Ming has on 7 June 2017 taken out an application to the court to strike out the Action on the ground that it discloses no reasonable cause of action and/or is frivolous or vexatious and/or is unnecessary and tends to prejudice, embarrass or delay the fair trial of the action and/or is otherwise an abuse of the process of the court. The hearing of the application scheduled to be heard on 21 June 2017 has been adjourned by consent. Plaintiff filed and served its affirmation in opposition to the striking out summons on 29 August 2017, and Yu Ming filed and served its affirmation in reply on 1 November 2017. The hearing for the striking out summons was heard on 19 June 2018 and the application was dismissed. Plaintiff filed its amended statement of claim (which

amendments are principally additional details which Plaintiff averred support its claims, but no amendments were made to the actual claims and reliefs sought against the defendants in the statement of claim) on 30 August 2018, Yu Ming has filed its defence and counterclaim by 11 October 2018 and Plaintiff has filed its reply and also served a Mediation Notice on 4 January 2019. Yu Ming served its request for further and better particulars of Plaintiff's reply on 10 January 2019 and filed and served an amended defence on 17 January 2019. Mediation took place on 25 February 2019 but was unsuccessful and the parties failed to reach any agreement. Plaintiff filed and served answers to the request for further and better particulars of Plaintiff's reply on 18 April 2019. The Plaintiff has filed in court a re-renewed writ of summons on 4 June 2019, and the re-renewed writ of summons has expired on 8 May 2020. The Plaintiff has not applied for a renewal of the expired re-renewed writ of summons after May 2020.

The Group's legal advisor is of the view that Yu Ming is entitled to rely on the "indoor management rule", which states that any person contracting with a company and dealing in good faith with the same may assume that acts within its constitution and powers have been properly and duly performed and are not bound to inquire whether acts of internal management have been regular. They are also of the view that there are contemporaneous records and correspondence evidencing Yu Ming's work done for the plaintiff pursuant to the engagement letters. Based on the information and documents provided to it by Yu Ming, the Group's legal advisor is of the opinion that, the vagaries of litigation aside, Yu Ming is very likely to successfully defend the Action.

The Directors, having obtained the legal opinion from the legal advisor, considered that the ultimate outcome and potential obligation of this case cannot be reliably estimated and determined that no provision in respect of this case was made for the six months ended 30 June 2022 and 2023.

2. In prior years, several plaintiffs filed writ of summons against Yu Ming. At the end of the reporting period, the Directors, having obtained the legal opinion from the legal advisors that no litigation has yet been commenced against Yu Ming up to the date of 2023 Interim Report, although respective plaintiffs are entitled to serve a writ of summons on any defendant within 12 months of the issue of writ of summons and to apply for extension of the validity of the writ of summons for a period of not exceeding 12 months from the expiry date of the writ of summons and to serve the writ of summons within such extended period, the writs of summons have lapsed since they have not been served within such period, and no demand or claim has been received from respective plaintiffs in relation to any of the matters mentioned in the said writs of summons, considered that the ultimate outcome and potential obligation of these cases cannot be reliably estimated and determined that no provision in respect of these cases were made for the six months ended 30 June 2022 and 2023.

Save as disclosed above, no member of the Group was involved in any litigation or claims of material importance and no litigation or claims of material importance was pending or threatened against any member of the Group as at the Latest Practicable Date.

EXPERT AND CONSENT

The qualifications of the expert who has given opinions, letters or advice contained in this Prospectus are set out below:

Name	Qualification
BDO Limited	Certified public accountants

BDO Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its letter, advice, report and/or references to its names, in the form and context in which they are respectively included.

As at the Latest Practicable Date, BDO Limited was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor did it have any interest, either directly or indirectly, in the assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

EXPENSES

The expenses payable by the Company in connection with the Rights Issue, including printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be approximately HK\$0.9 million.

PARTICULARS OF DIRECTORS

Biographies of the existing Directors are set out below:

Executive Directors**Mr. Lee Wa Lun, Warren (“Mr. Warren Lee”)**

Mr. Warren Lee, aged 60, was appointed as an ED on 25 July 2019 and acts as the Managing Director and the chairman of the executive committee of the Company. He was one of the founding directors of Yu Ming in August 1996 and has worked in Yu Ming ever since. Mr. Warren Lee is responsible for overseeing business development of Yu Ming, maintaining client relationship, monitoring industry developments and supervising corporate finance advisory and asset management teams on the provision of services to clients. Mr. Warren Lee is also a director of certain subsidiaries of the Company.

Mr. Warren Lee is currently a director of SHK, a company formerly listed on the Main Board (former stock code: 666, which was privatised in April 2021). He was appointed as SHK’s director in September 2004.

Mr. Warren Lee was appointed as an independent non-executive director of Wise Ally International Holdings Limited (“Wise Ally”) in December 2019. Wise Ally is a company listed on the Main Board (stock code: 9918).

From December 2008 to November 2013, Mr. Warren Lee was a director of First Natural Foods Holdings Limited (now known as Imperial Pacific International Holdings Limited), a company listed on the Main Board (stock code: 1076). From June 2010 to June 2013, Mr. Warren Lee was an executive director of Viva China Holdings Limited (now known as Viva Goods Company Limited), a company formerly listed on GEM of the Stock Exchange (former stock code: 8032) and now transferred to the Main Board (stock code: 933).

From December 2006 to May 2007, Mr. Warren Lee was the chief executive officer of Nam Tai Electronics, Inc. (now known as Nam Tai Property Inc.), an electronics manufacturing services provider listed on the New York Stock Exchange (NYSE: NTP). Between March 2004 and February 2006, he was an independent non-executive director of Nam Tai Electronic & Electrical Products Limited (“NTEEP”), a company formerly listed on the Main Board (former stock code: 2633, which was privatised on 13 November 2009). Between February 2006 and April 2007, he was re-designated as a non-executive director of NTEEP. Between January 2007 and April 2007, he was also a non-executive director of J.I.C. Technology Company Limited (now known as China Renewable Energy Investment Limited), a company listed on the Main Board (stock code: 987).

Mr. Warren Lee graduated with a Bachelor of Science degree from the University of East Anglia in the United Kingdom in 1986 and obtained a distinction in Master of Science degree from The City University Business School in London in 1988.

Mr. Warren Lee is licensed by the SFC to act as a Responsible Officer to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

Mr. Lam Chi Shing (“Mr. Lam”)

Mr. Lam, aged 43, was appointed as an ED on 25 July 2019 and is a member of the executive committee of the Company. He joined Yu Ming in 2005. He is a director and the portfolio manager of Yu Ming and is licensed by the SFC to act as a Responsible Officer to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. Mr. Lam mainly supervises the asset management business of Yu Ming. He is responsible for formulating investments ideas, identifying different investment opportunities both in listed and unlisted securities and execution of investment decisions. He is also involved in the provision of corporate finance services by Yu Ming. Mr. Lam is also a director of certain subsidiaries of the Company.

Mr. Lam has over 16 years of experience in asset management and corporate finance gained in Yu Ming. Prior to joining Yu Ming, Mr. Lam worked in corporate lending and syndication department of The Bank of East Asia, Limited. Mr. Lam graduated from The Chinese University of Hong Kong in 2002 with a Bachelor of Business Administration degree, and is accredited with Chartered Financial Analyst since September 2009.

Ms. Li Ming (“Ms. Li”)

Ms. Li, aged 46, was appointed as an ED on 25 July 2019 and is a member of the executive committee of the Company. Ms. Li has over 20 years of experience in corporate finance. She joined Yu Ming in October 2007. She is a director of Yu Ming and is responsible for supervising and leading execution of corporate finance projects of Yu Ming. She is also involved in the provision of asset management services by Yu Ming. Ms. Li is also a director of certain subsidiaries of the Company. Prior to joining Yu Ming, Ms. Li worked with Asian Capital (Corporate Finance) Limited from April 2001 to October 2007.

Ms. Li is also appointed as an independent non-executive director of Fufeng Group Limited, a company listed on the Main Board (stock code: 546), effective from 1 April 2022.

Ms. Li is licensed by the SFC to act as a Responsible Officer to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as well as a Licensed Representative to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Ms. Li obtained Master of Finance (Investment Management) degree from The Hong Kong Polytechnic University in 2010 and Bachelor of Arts degree in Business Administration awarded by the University of Hertfordshire of the United Kingdom in 2000.

Non-executive Directors

Mr. Kuo Jen-Hao (“Mr. Kuo”)

Mr. Kuo, aged 47, was appointed as a non-executive Director on 23 December 2019. Mr. Kuo is the chairman of the Board and a member of each of audit committee and remuneration committee of the Company. He is also the director of certain subsidiaries of the Company. Mr. Kuo is currently the chairman and the general manager of First Steamship Company Limited (“First Steamship”), a substantial shareholder of the Company, and a director and the chairman of Grand Ocean Retail Group Limited, a subsidiary of First Steamship. Both companies listed on the Taiwan Stock Exchange Corporation. In addition, Mr. Kuo is also a chairman of Taiwan Environment Scientific Co., Ltd., a company listed on the Taipei Exchange, and a non-executive director and chairman of the board of Sandmartin International Holdings Limited (“Sandmartin”), a company incorporated in Bermuda with limited liability with its shares listed on the Main Board (stock code: 482). He was a non-executive director and chairman of the board of Summit Ascent Holdings Limited, a company listed on the Main Board (stock code: 102), for a period from December 2017 to April 2019. He was also a director of IRC Properties Inc. (now known as Philippine Infradev Holdings Inc.), a company listed on the Philippine Stock Exchange, for the period from July 2017 to May 2018.

A winding up petition dated 5 July 2017 was filed by a petitioner against Sandmartin (the “Petition”), which was prior to the appointment of Mr. Kuo as a non-executive director of Sandmartin, and the Petition was dismissed by an order granted by the High Court of Hong Kong on 7 January 2019.

Mr. Kuo has several years of work experience in investment advisory, financial advisory and corporate finance at PricewaterhouseCoopers, Bank of America Merrill Lynch and Private Equity Management Group and held various key roles at several private and listed companies engaging in (i) the administrative and corporate business; (ii) corporate finance; and (iii) general management in real estate development business, shipping business, retailing business and logistics business. Mr. Kuo has a wealth of experience in business strategy development and innovation management.

Mr. Kuo graduated with a Bachelor's degree in Business Administration from Aletheia University in Taiwan and holds a Master degree of Business Administration from Pace University in 2003 in the United States. Mr. Kuo is an inactive certified public accountant of the New Jersey State Board of Accountancy.

Mr. Xu Haohao (“Mr. Xu”)

Mr. Xu, aged 39, was appointed as a non-executive Director on 31 May 2023 and is a member of the audit committee and the nomination committee of the Company. He is also a director of a subsidiary of the Company. Mr. Xu is currently a major shareholder and executive director of Yuen Wo International Limited, a company registered in Hong Kong. Mr. Xu holds a Bachelor's degree in Financial Administration from University of Winnipeg, Canada and an EMBA degree from the City University of Hong Kong. Mr. Xu has extensive experience in financial and corporate management. From September 2019 to August 2022, Mr. Xu served as executive director and the chief executive officer of Man Sang International Limited, a company listed on the Main Board (stock code: 938). Previously, Mr. Xu served as an executive director of CWT International Limited, a company listed on the Main Board (formerly known as Shougang Concord Technology Holdings Limited, stock code: 521) from December 2014 to June 2019 and held various senior management positions including co-chairman and chief executive officer during his term of service. From November 2016 to September 2019, Mr. Xu was also a non-executive director of AID Life Science Holdings Limited (now known as 8088 Investment Holdings Limited), a company formerly listed on GEM (former stock code: 8088, which was privatised in August 2022), and from May 2018 to April 2019, a director of HY Energy Group Co., Ltd., an A-Shares listed company on the Shanghai Stock Exchange (stock code: 600387). From September 2012 to March 2014, Mr. Xu worked in finance department of Hong Kong Airlines Limited.

Mr. Xu is a director and shareholder of Beyond Global Enterprises Limited, a substantial shareholder of the Company. He is also a director of Victory Gain Ventures Limited, a substantial shareholder of the Company and a subsidiary of Beyond Global Enterprises Limited.

Independent Non-executive Directors**Mr. Chan Sze Chung (“Mr. Chan”)**

Mr. Chan, aged 54, was appointed as an independent non-executive Director on 26 July 2019. He is also the chairman of the audit committee and a member of each of remuneration committee and nomination committee of the Company. He has over 20 years of experience in finance and accounting. Mr. Chan is currently an independent non-executive director of Tongfang Kontafarma Holdings Limited (now known as Kontafarma China Holdings Limited), a company listed on the Main Board (stock code: 1312).

From December 2009 to August 2010, Mr. Chan was the chief financial officer of Coolpoint Energy Limited (now known as Viva Goods Company Limited), a company formerly listed on GEM of the Stock Exchange (former stock code: 8032) and now transferred to the Main Board (stock code: 933).

Mr. Chan became financial controller of Nam Tai Group Management Limited in April 2001, and was promoted in September 2008 as chief financial officer of NTEEP, a company formerly listed on the Main Board (former stock code: 2633, which was privatised on 13 November 2009) and also as acting chief financial officer of Nam Tai Electronics, Inc. (now known as Nam Tai Property, Inc.), a company listed on the New York Stock Exchange (NYSE: NTP).

Before joining Nam Tai Group Management Limited, Mr. Chan was employed as the financial controller of J.I.C. Enterprises (Hong Kong) Limited, a company engaged in manufacturing and trading of liquid crystal display panels, and was employed by Deloitte Touche Tohmatsu during the period from January 1993 to August 1997 and served as a senior accountant at the time of his resignation.

Mr. Chan graduated from the University of Wales with a Bachelor of Arts degree in Accounting and Finance in 1991 and obtained a Master of Arts degree in Accounting and Finance at the University of Lancaster in December 1992. Mr. Chan is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants, and that he is also recognised as a chartered financial analyst by the CFA Institute of the US.

Mr. Suen Chi Wai (“Mr. Suen”)

Mr. Suen, aged 59, was appointed as an independent non-executive Director on 26 July 2019. He is also the chairman of the nomination committee and a member of each of audit committee and remuneration committee of the Company. Mr. Suen is a practising solicitor in Hong Kong. He was a partner of Withers from February 2018 until his retirement from the partnership in March 2023, he is currently a consultant of Withers. He has more than 20 years of experience in corporate finance and with area of practice principally in initial public offerings on the Stock Exchange, mergers and acquisitions, corporate reorganisations and Listing Rules compliance, and he has advised clients from various industries such as clean energy, pharmaceutical, medical, retails, manufacturing, entertainment and biological.

Mr. Suen has served as an independent non-executive director of Xin Yuan Enterprises Group Limited, a company listed on the Main Board (stock code: 1748) since September 2018, Venus Medtech (Hangzhou) Inc., a company listed on the Main Board (stock code: 2500) since July 2019, and BoardWare Intelligence Technology Limited, a company listed on the Main Board (stock code: 1204) since June 2022.

Before joining Withers, Mr. Suen was an associate and later a partner of DLA Piper Hong Kong from June 2007 to May 2012 and May 2012 to February 2018, respectively, and served as a manager in the investment products department of the SFC from October 2005 to July 2006, responsible for reviewing applications of collective investment schemes and monitoring continuing compliance of authorised schemes. Mr. Suen was an assistant solicitor at Woo Kwan Lee & Lo from September 2000 to March 2005.

Mr. Suen received a Bachelor of Science degree from the University of East Anglia in the United Kingdom in July 1987 and a Postgraduate Certificate in Laws from the University of Hong Kong in June 1998. Mr. Suen was admitted as a solicitor in Hong Kong in October 2000 and in England and Wales in December 2003. Mr. Suen has also been a fellow member of the Association of Chartered Certified Accountants since May 1998 and a certified public accountant of the Hong Kong Institute of Certified Public Accountants since April 1993.

Mr. Sum Wai Kei, Wilfred (“Mr. Sum”)

Mr. Sum, aged 59, was appointed as an independent non-executive Director on 26 July 2019. He is also the chairman of the remuneration committee and a member of each of audit committee and nomination committee of the Company.

Mr. Sum is the head of corporate finance, equity capital markets and debt capital markets department of BOCOM International Holdings Company Limited (“BOCOM”). He had been with BOCOM from September 2008 to September 2016 and rejoined in March 2017. Between 2002 and 2008, Mr. Sum had been with TSC Capital Limited (now known as KGI Capital (Hong Kong) Limited). After leaving BOCOM in September 2016 and before re-joining in March 2017, he worked in CEB International Capital Corporation Limited and Celestial Capital Limited.

Mr. Sum was admitted as Certified Practising Accountant of the Australian Society of Certified Practising Accountants in 1997 until 2008. Mr. Sum obtained a Bachelor of Science degree from the University of East Anglia in the United Kingdom in 1986 and a Master of Commerce degree from the University of New South Wales in Australia in 1992.

Business address of the Directors

The business address of the Directors is the same as the Company’s principal office in Hong Kong at Room 1801, 18th Floor Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office:	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong:	Room 1801 18th Floor Allied Kajima Building 138 Gloucester Road Wanchai Hong Kong
Legal advisers to the Company as to Hong Kong law:	Robertsons 57th Floor The Center 99 Queens Road Central Hong Kong
Principal share registrar and transfer office:	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office:	Hong Kong Registrars Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Financial adviser to Company:	Yu Ming Investment Management Limited Room 1801 18th Floor Allied Kajima Building 138 Gloucester Road Wanchai Hong Kong

Auditors and reporting accountants:	BDO Limited 25th Floor Wing On Centre 111 Connaught Road Central Hong Kong
Principal bankers:	BNP Paribas Hong Kong Branch 63rd Floor Two IFC 8 Finance Street Central Hong Kong OCBC Wing Hang Bank Limited 161 Queen's Road Central Hong Kong
Authorised representatives:	Mr. Lee Wa Lun, Warren Room 1801 18th Floor Allied Kajima Building 138 Gloucester Road Wanchai Hong Kong Mr. Lee Hon Sang Room 1801 18th Floor Allied Kajima Building 138 Gloucester Road Wanchai Hong Kong
Company Secretary:	Mr. Lee Hon Sang <i>Certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants</i>

BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

Copies of the Prospectus Documents and the written consent of the expert as referred to in the section headed “Expert and Consent” in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.irasia.com/listco/hk/dayufinancial), for a period of 14 days commencing from the date of this Prospectus:

- (i) the report from BDO Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (ii) the written consent of the expert as referred to in the section headed “Expert and Consent”; and
- (iii) the Prospectus Documents.

MISCELLANEOUS

This Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text of this Prospectus shall prevail over the Chinese text unless otherwise specified.

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.